FBIS DAILY REPORT

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CONTADORA GROUP DEPUTY FOREIGN MINISTERS MEET

PA140245 Panama City Televisora Nacional in Spanish 0000 GMT 14 May 85

[Text] The Contadora Group's deputy foreign ministers met today in this capital to prepare for tomorrow's meeting with the Central American plenipotentiary representatives. Panamanian Foreign Relations Minister Jorge Abadia Arias will inaugurate tomorrow's meeting, scheduled for 1000. According to sources, this meeting could decide the date when the nine foreign ministers [of the countries involved] may meet for the possible signing of the Contadora Document. The Panamanian Foreign Ministry announced that a press conference is scheduled for Thursday.

AREA NOTABLES TO MEET 20 MAY IN SAN SALVADOR

PA091929 San Salvador Radio Cadena YSU in Spanish 1800 GMT 8 May 85

[Excerpt] The Salvadoran Institute of Political, Economic, and Social Studies [Isepes] announced this morning that on 20 May San Salvador will be the site of an important political event for Central America. On that date representatives of democratic, business, and political organizations from Guatemala, Honduras, El Salvador, Costa Rica, and Panama will meet here to express total support of the struggle for democracy in Central America and rejection of the Sandinist regime, according to the report by Isepes officials. Leaders of groups of the Democratic Revolutionary Alliance, the Nicaraguan Democratic Force, and the indigenous Miskito, Sumu, and Rama Sandinist Unity struggling against the Sandinist regime will also be present in San Salvador. Also on 20 May, according to Isepes officials, the San Salvador Declaration will be issued here in San Salvador. Notable personalities from the five countries of the Central American isthmus will sign the document regarding the regional crisis, and the execution and implementation of this document will be carried out under the slogan: Everyone talks about Central America; now it is time for Central America to talk.

Isepes leaders maintain that Contadora is not the answer to Central American problems and that each country of the region should have an organization to represent it in a larger Central American organization, so that the people can search for solutions to the grave problems affecting each nation and, hence, the Central American region.

OPANAL MEMBERS URGED TO SUPPORT PEACE, DISARMAMENT

FL102059 Mexico City NOTIMEX in Spanish 1839 GMT 10 May 85

[Text] Mexico City, 10 May (NOTIMEX) -- Mexico urged Tlatelolco Treaty members to maintain the principles and objectives of banning nuclear weapons. At the end of the ninth session of the general conference of the Organization for the Proscription of Nuclear Arms in Latin America (Opanal), Mexican Foreign Under Secretary Victor Flores Olea called upon members to define concrete actions for peace and disarmament. The Mexican official, who acted as president of the meeting, stressed the need to study short-term measures to maintain the validity of this organization, the fulfillment of its duties, and to establish guidelines.

Speaking at the conclusion of the meeting, Opanal Secretary General Jose Martinez Cabo pointed out the dangers of the arms race to humankind.

During the 3-day meeting, Costa Rica and Uruguay were nominated as members of the Opanal Council to replace Mexico and Peru.

REPORTAGE ON REACTION TO FALKLANDS AIR BASE

OAS Special Meeting Called

PY132209 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2030 GMT 13 May 85

[Text] Buenos Aires, 13 May (NA) -- The Argentine Government today called the OAS Permanent Council to a "special" meeting to denounce the dedication of a military air base in the Malvinas Islands by Great Britain as jeopardizing "the peace and security of the hemisphere." Foreign Minister Dante Caputo made the announcement this afternoon. The Argentine foreign minister is very likely to travel to Washington tomorrow to raise the issue at the OAS Permanent Council, which Carlos Muniz, the Argentina representative to the OAS, summoned today.

Caputo talked to reporters shortly before attending a meeting between President Alfonsin and Finnish Foreign Minister Paavo Vayrynen. Caputo told reporters that "I have just called the OAS Permanent Council to a special session, and I myself may leave for Washington on the evening of 14 May." He explained that at the council session he will raise the issue of the dedication of the Malvinas military air base, "which not only involves consequences for Argentina but also affects the peace and security of the entire region." Asked whether Argentina may ask the UN Security Council to convene, Caputo replied: "This is what we are doing for the time being." Asked whether Argentina would go beyond the statements of condemnation and would adopt concrete measures to put an end to the problem, Caputo answered that "what we are doing is a concrete measure."

In conclusion, the foreign minister dismissed reports that circulated over the weekend on his alleged resignation and designation to a post in the presidency. With a broad smile on his face, Caputo answered: "I am quite satisfied where I am, and I will be happy if the president allows me to continue there."

Caputo To Travel to Washington

PY132344 Buenos Aires TELAM in Spanish 2235 GMT 13 May 85

[Text] Buenos Aires, 13 May (TELAM) -- It was officially confirmed this afternoon that Foreign Minister Dante Caputo will leave tomorrow at 1900 for Washington board an Argentine Airlines jetliner to attend a meeting of the OAS Permanent Council, which is being convened at the request of the Argentine Government to discuss the Malvinas issue. The OAS Permanent Council will meet on 15 May at 1600 Washington time. It was added that Caputo will be accompanied by Albino Gomez, director general of the Foreign Ministry Press Department.

Caputo Holds Press Conference

PY140135 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 14 May 85

[Press conference by Foreign Minister Dante Caputo at Government House on 13 May; broadcast in progress]

[Text] [Caputo] ...Latin American friends, to the Latin American countries about the seriousness of this. Summing up, Great Britain has with this irresponsible act assumed accountability for jeopardizing peace in South America.

[Reporter] Mr Minister, you have also said that in addition to peace in South America, peace in the southern part of the continent is also jeopardized. Could this mean that during your stay in the United States, the United Nations will be called upon to intervene?

[Caputo] Not during this trip. I will go tomorrow or the day after tomorrow, and I will return on Friday. Then I have to make a trip with the president to Uruguay on Saturday and Sunday, when we will do something very important: We will create the River Plate ministers council, which I think is an auspicious step in development of relations between our two countries. So at this time I do not foresee any action other than the complaint we have filed with the [OAS] Permanent Council.

[Reporter] Mr Minister, does this preclude any ongoing or future negotiations with Great Britain?

[Caputo] There have been no negotiations so far.

[Reporter] Through diplomatic channels?

[Caputo] No, no. There have been no negotiations. The negotiations are those you know about. We maintain our attitude: If you want to negotiate, let's sit and negotiate. And we tell the British that instead of expending 2 billion pounds on armaments, they should expend 4 to 5 pounds to buy a table so we can sit and negotiate.

[Reporter] Thank you.

Ministry Official Comments

PY130340 Buenos Aires DYN in Spanish 1113 GMT 13 May 85

[Text] Buenos Aires, 13 May (DYN) -- Foreign Relations Secretary Jorge Sabato has announced that Argentina will start a "clarification campaign" regarding the "importance" of the "Malvinas fortress." He also asserted that there are "strange reasons" for the fortification, because "there is no question of repulsing an invasion, which the (Argentine) Government has ruled out."

The official made these statements last night when he was asked by DYN about the repercussions caused by the inauguration of the new British airport on the Malvinas. Sabato said that it is an event which we believe to be "of a highly serious nature," adding that, as already announced by the Foreign Ministry, the Argentine Government "will take the appropriate international steps," on which he declined to make any comments.

He was then asked whether the activities of Labor MP George Foulkes, who is in the archipelago to talk to the islanders, could have any important results for Argentina. Sabato replied that "the British public will gradually come to comprehend these large investments and the strange reasons for them, since there is no question of repulsing an invasion, which the (Argentine) government has absolutely ruled out." He stressed that the government "has repeatedly stated that it will make its claims only through diplomatic and peaceful means," adding that "this strange haste, reported in the British press, in building the airport has no relationship to any imminent threat, rather, to the contrary."

The official announced that a "clarification campaign" about the "importance of this fortress" will be undertaken and trusted that the British public "will understand that the reports," made by their authorities about an imminent invasion, "are unjustified." He concluded by explaining that the efforts of members of the (British) Parliament "which contribute to clarify the situation will be positive."

Deputy Storani Comments

PY131425 Buenos Aires DYN in Spanish 1034 GMT 13 May 85

[Excerpt] Buenos Aires, 13 May (DYN) -- Regarding the inauguration of the new British airport in the Malvinas, Federico Storani of the Radical Civic Union, president of the Foreign Relations Commission of the Chamber of Deputies, has told DYN that he considered the event "an aggression, because from a technical point of view the airport far exceeds purely defensive needs, as its size permits it to receive large planes; it has the capacity for both offensive and defensive troop transfers, and also for the most developed types of fighter-bombers, which cannot operate from a short runway." Storani also said that the inauguration of the new airport, located 48 km from an Argentine port and about 12,870 km from London, "places continental Argentine territory within reach of British aircraft and is, therefore, a danger to the security of the continent and the southern cone." Storani added: "The presence of colonialism is seen through this new technical-military installation as a clearly aggressive attitude." The president of the Foreign Relations Commission concluded by stressing that the inauguration of the new airport in the Malvinas Islands "is a unilateral step taken by the British Government, which makes more remote the possibility of holding serious talks in search of a peaceful solution."

According to news agency reports on the inauguration ceremony, British Defense Secretary Michael Heseltine stated that "the new installation is purely defensive."

Deputy Becerra Sees 'Threat'

PY140057 Buenos Aires DYN in Spanish 2133 GMT 13 May 85

[Text] Cordoba, 13 May (DYN) -- National Deputy Carlos Becerra of the Radical Civic Union today affirmed that the dedication of a military airport in the Malvinas Islands by Great Britain is a "threat to peace," and it constitutes "an act of aggression against the Argentine Government and people." This event "upsets all possibilities for direct negotiations and effective talks on the Malvinas problem," Deputy Becerra, who is the chairman of the Foreign Relations Committee of the Chamber of Deputies, stated. He also said that "the position and attitude of the British Government in inaugurating this airfield openly reveals the position of the Foreign Office." He noted that its intention "is a repetition of what Prime Minister Margaret Thatcher said when she visited the U.S. Congress, where she said that the British troops in Central America were at the disposal of the United States and that the British would take care of the South Atlantic." Becerra maintained that this military airfield, which is 12,000 km from Great Britain, "will only be used for large planes to transport troops, war materiel, and the like." He also asserted that the inauguration of the airfield "implies the possibility of operating fighter-bombers, interceptors, and offensive planes of advanced technology from it."

CONDEMNATION OF U.S. NICARAGUAN EMBARGO ENDORSED

PY140145 Buenos Aires Domestic Service in Spanish 2300 GMT 13 May 85

[Excerpts] Health Minister Aldo Neri today returned from Geneva after attending the World Health assembly. The minister referred to the meeting held by the health ministers of the nonaligned countries. He said that Argentina endorsed a Nicaraguan request that the group condemn the embargo imposed by the United States on the Central American nation. The minister said this decision is in line with the stance the Argentine Government adopted through the Foreign Ministry.

ADN DENOUNCES MILITARY PLOT TO DISRUPT ELECTIONS

PY130304 Madrid EFE in Spanish 0015 GMT 12 May 85

[Text] La Paz, 11 May (EFE) -- The Nationalist Democratic Action Party (ADN), led by former President Hugo Banzer Suarez, today denounced the existence of a military plot designed to prevent the inauguration of the winner of the July elections.

According to the ADN Party newspaper ACCION, General Sergio Osinaga, commander of the La Paz-based Army Military School, maintains the theory that the military should not turn the government over to right-wing political groups.

The newspaper says that in his attempt to block what he describes as the right wing, Gen Osinaga has been seeking to coordinate actions between military sectors and radical sectors of the Bolivian Labor Federation (COB) to prevent the elections.

The alleged contacts between Gen Osinage and the radical COB groups reportedly took place during the March general strike and were designed to seize power.

ACCION adds that Gen Osinaga was unable to keep his commitment to support the destabilizing actions undertaken by the Revolutionary Unity Command (DRU) led by Juan Lechin Oquendo.

ACCION says Osinaga believed that conditions were not appropriate for the public involvement of those officers supporting the COB plot to overthrow President Hernan Siles Zuazo in order to prevent the 14 July elections.

Following this unsuccessful attempt, ACCION says, Gen Osinaga is now trying to sell his theory to commanders of major garrisons, urging them to join a movement designed to disrupt the electoral process.

If this maneuver fails, the newspaper says, the military is planning to prevent the inauguration of the president-elect.

ACCION says that in Gen Osinaga's opinion, the two leading contenders in the July elections, the ADN and the Victor Paz Estenssoro-led Nationalist Revolutionary Movement (MNR), are right-wing groups.

ACCION says that some members of the Nationalist Revolutionary Movement of the Left (MNRI) led by President Siles Zuazo are involved in this plot to prevent the presidential inauguration.

ACCION also contents that Osinaga, in coordination with the palace group that opposes the election, would act in support of the COB's DRU faction to disrupt the electoral process.

ACCION adds that Gen Osinaga's position is well known in MNR circles because he sought the party's support in a meeting held with former President Paz Estenssoro.

ACCION discloses the existence of a group of commanders who share the progressive ideas of leftist and popular organizations and charges that this group of officers supports the COB attempt to prevent the inauguration of either Gen Banzer Suarez or Paz Estenssoro who, according to observers, are the leading contenders for the 14 July elections.

ANOTHER ROUND OF STRIKES DISRUPTS COUNTRY

PY132220 Paris AFP in Spanish 1558 GMT 13 May 85

[Text] La Paz, 13 May (AFP) -- With only 2 months to go until the general elections, Bolivia's social stability is being rocked by a wave of strikes and social problems. Despite the government threat to file a criminal suit against them, the physicians of the National Social Security Fund (CNSS) have decided to continue the indefinite general strike they started 5 days ago in demand of better salaries and suspended emergency services, thus causing serious problems for the population.

Banks throughout the country have been closed since Tuesday, 7 May, to support the demand for better salaries made by the employees of the Bolivian American Bank, who occupied the bank's offices on 9 May. Civil servants will start a work slowdown today that will continue until their salary demands are met.

Factory workers have decided that unless their wages and salaries are increased in the next few hours, they will start a nationwide hunger strike. Teachers will also go on strike on Wednesday, because the government has not yet paid their March salaries. In addition, miners will march on La Paz if their demands for tools and a minimum salary with adjustable clause are not met.

COB'S LECHIN NOMINATED PRESIDENTIAL CANDIDATE

PY132215 Paris AFP in Spanish 2123 GMT 13 May 85

[Text] La Paz, 13 May (AFP) -- Juan Lechin Oquendo, leader of the Bolivian Labor Federation (COB) and of the Revolutionary Party of the Nationalist Left (PRIN), has been nominated a presidential candidate by his party convention for the upcoming 14 July elections.

Lechin Oquendo, who several times has said that he would not be a candidate, had to accept the decision of his party convention and at the same time begin negotiations with several leftist parties and fronts to create a movement to face the right. Ramiro Carrasco, who is the PRIN secretary general, indicated that the party's platform is based on the COB's political and economic principles, and that Lechin Oquendo's nomination responds to the desires of the majority of the miners in the convention, who saw the need to create a leftist united front.

Several leftist organizations have already nominated their candidates, and therefore the possibilities for unity seem very difficult since the national elections are only 2 months away. The candidates who have already been nominated are former Presidents Hugo Banzer and Victor Paz Estenssoro; former Vice President Jaime Paz Zamora; former officer Humberto Cayoja; lawyer Isaac Saldoval; journalist Carlos Serrate; David Anez of the Bolivian Socialist Falange; Roberto Jordan Pando, the candidate of the government party; Luis Mostajo of the Progressive National Party; Luis Ossio of the Christian Democratic Party; Socialist Ramiro Velasco; and peasant leader Genaro Flores.

SARNEY ANNOUNCES GUIDELINES AT CABINET MEETING

PY071544 Brasilia Domestic Service in Portuguese 1200 GMT 7 May 85

[Address by President Jose Sarney during cabinet meeting held at Planalto Palace, Brasilia -- live]

[Text] Messrs Ministers: Between our first meeting on 17 March and our meeting today, the nation has lived through days of perplexity. We have seen resurrection and tragedy, hope and disappointment. No one in our history has assumed the government in the midst of so many adversities, the like of which no one has ever heard or ever suffered. I am obliged to see the present in this way, but this is not the way I foresee the future. Brazil cannot be regarded as a disaster.

The legacy of Tancredo Neves is the legacy of conciliation. His voice was one of unity. Let us listen to that voice and not disband. Let us repeat his message: Do not disperse. We have lost our conductor, but we have not lost hope, nor do we relinquish our commitment. At this time I renew the vow made on the cold night of Sao Joao del Rei: His dreams will be our dreams, his hope our hope.

These first 50 days have been full of strenuous work, of constant concern about our national problems. We can assert today that what has been a wish is now a reality: The time for change has come. We have assumed power and decisions are being made through participation. The government has lost the air of infallability but gained that of a permanent search for what is right. The voice of the streets, the politicians, and the people in general has come alive, and service to the nation has become the mission of the men in government. In the midst of the general difficulties, in the period of transition, the machinery of government has not stopped. There is a seriousness in the treatment of public affairs, and this is reflected in all the decisions that have been made.

The guidelines established during the first ministerial meeting, guidelines inspired by the commitments of the Democratic Alliance with the nation, have placed the social question as a priority in the public investments of the new Republic after determining that public funds be allocated to meet the basic needs of our people.

Now, almost 2 months after our first meeting, I deem it necessary to state that the government's actions have been in keeping with what I reported on that occasion.

The government's priority during the months of March and April was the agricultural sector, for which funds amounting to approximately 4.5 trillion cruzeiros were allocated. During the same months, about 1.6 trillion cruzeiros were allocated to support exports. We are seeking to equalize our foreign accounts by achieving a significant trade surplus. The priority treatment granted to financing exports has contributed to keeping our current trade deficit [as heard] for the month of April under $1 billion.

The level of Brazilian reserves also has passed $8 billion. Within the strategy implemented to curb inflation, the government has resorted to an austere fiscal and monetary policy which has established a greater selectivity in public expenditures, that is, in the central administration as well as in the decentralized administration. The government is also developing a price control policy, which is necessary at this point.

Although these policies do not usually yield [word indistinct] results in the short term, in April our inflation rate was only 7.2 percent.

Moreover, the annual growth of the monetary base in early March totaled 270 percent, dropping, by the end of April, to 207 percent. As we analyze each decision, we cannot ignore the great challenge of reconciling the need to resume economic growth while bringing inflation under control.

During the past 2 months, Brazil has shown great maturity. Also, the government has managed to improve the situation of the country to current levels. We cannot postpone making new decisions. They must be made immediately in view of the possibility that worse things may happen, that is, recession or hyperinflation, which we will never allow.

We are now in a situation that demands decisions. This is one of the reasons for this meeting of the cabinet of the new Republic. The question is: How can we meet the most immediate needs of the Brazilian people in terms of food supply and employment opportunities through a noninflationary allocation of funds? I am now establishing social priorities in a government emergency plan for 1985, contemplating progress in the area of food supply, health care, basic sanitation, inexpensive housing, employment expansion, public welfare, rural development, and the recovery of the infrastructure destroyed by the floods [in northeast Brazil]. The urgency of the fight against hunger, poverty, and unemployment makes inadvisable the implementation of complex, long-term programs. My objective is to seek more efficiency and effectiveness in social development programs which must not only be timely, but which must give immediate results. This is what we are doing.

On the other hand, the need to hold down inflation has forced the reallocation of public resources available for meeting the aforementioned needs, without expanding the very high public deficit. All the programs which are directed at the social priorities of the government for 1985 have already been funded with resources coming from noninflationary sources, amounting to 12 trillion cruzeiros. I am adopting speedy measures to allow these funds to be made available in rigorous compliance with the timetable of approved disbursements. In addition to the short-term measures, which attest to the priorities that the new Republic grants to social development and to the Northeast, I am taking steps for the preparation of the draft for the Fourth National Development Plan.

This plan will realistically reflect our goals for and commitments to the nation. The plan will guide the national destiny for the next 4 years.

Messrs Ministers, the situation we are facing is truly serious. According to government estimates, the state income will total 121 trillion cruzeiros, while the estimated total Government expenditures, including the expenditures of the central administration, the transfer of funds to state enterprises and other enterprises of the decentralized state administration, municipalities, the social security system, and expenditures included in the monetary budget, amount to a total of 205.9 trillion cruzeiros.

As a result, we have a deficit of 84.9 [as heard] trillion cruzeiros distributed as follows: national treasury, 4.9 trillion cruzeiros; state enterprises and central administration enterprises which receive funds from the monetary authorities, 20 trillion cruzeiros.

Other organizations are: The state and municipality central and decentralized administrations, which receive funds from the monetary authorities, 8.2 trillion cruzeiros; funds for the social security system, which received funds from the monetary authorities, 4.5 trillion cruzeiros; and the deficit of the monetary budget, caused by subsidies, interest rates, and other financial burdens, 47.6 trillion cruzeiros, of which 15.9 trillion cruzeiros cover interest rates on the internal public debt. It should be pointed out that the government is allocating approximately 4 trillion additional cruzeiros to the social security system. Note should be taken that these figures do not include the debts of state enterprises, which are financed by suppliers in exchange for services and through the public and private banking sector, which is being analyzed by the Planning Secretariat.

The treasury deficit of 84 trillion cruzeiros can be covered by curbing expenditures, by increasing the public debt, by increasing the tax burden, or by increasing the money supply. Any of these measures would only bring chaos to the public accounts, as well as cripple, discourage, and slow the administrative apparatus.

A thorough assessment of all government financial expenditures and obligations is being carefully carried out. All fund sources of the Federal Government, the monetary budget, the budget of the state-run enterprises, and the social security budget are being duly identified and earmarked.

The chaos we are confronting results to a large extent from the lack of a consolidated budget. After discussion by society and approval by Congress, a budget can be rigorously executed by the government. I have already ordered the Commission of Financial Reorganization of the Federal Government, which was created through Decree No 91,157 dated 18 March, to complete its work so that we can submit to Congress a consolidated budget before the end of 1985.

At the end of 1984, the Brazilian foreign debt surpassed $92 billion. Payments, to be made in each of the next 5 years, represent nearly 14 percent each of that sum. To this amount, nearly $12 billion of overdue short-term debts should be added. These financial commitments must be renegotiated with great realism and objectivity.

The government has already stated that Brazil does not repudiate its commitments. Brazil will honor them, but will try to adjust them to periods and terms that are compatible with the demands of our development, without adopting a passive attitude. Our creditors must understand that we cannot restrain our growth. As Tancredo Neves said, this debt cannot be paid with the hunger of the Brazilian people, or the paralysis of our development, or unemployment. We have the obligation to ensure for the nation a better standard of living and well-being.

I have offered for consideration a proposal for legislation which will provide for the punishment of those who are guilty of financial frauds. Obviously, the existing laws are an open door for impunity, and such measures are necessary for immediate control and surveillance of the financial sector, so that the scandals which have been a shame to the public adminstration are not repeated.

The national economy can no longer be held responsible for losses caused by incompetence, negligence, or the crimes committed by those in charge of administering third-party resources. In this regard, the authorities will have to be more severe, active, and vigorous.

The struggle against corruption is a decisive factor, and a matter of honor for the government, the success of which is the means of judging an administration.

I recommend that all ministers make detailed inventories of all the assets of their respective ministries. If we do not wish to take part in an emotional retribution, we must find out where and why corruption took palce and make sure that it does not happen again. Everyone should be aware that the current government will not tolerate embezzlement, or illegal preferential treatment. Let it also be known that all those who stray from the strict guidelines they accepted when they took office will be brought to a summary trial.

Messrs Ministers, democratic order has been restored under the rule of law. The government will not compromise and will not hesitate to fulfill its duty and safeguard democracy.

The strikes which are expected at this time of year, in which the salaries of important professional categories are adjusted, are being closely followed by the government, which maintains its most firm conciliatory attitude and intention.

However, the numbers and scope of such strikes at such a difficult moment is suprising. But, as we manage to discipline our economy those who work and have a right to strike will gradually stop resorting to this right. The demands of certain professional workers categories, who are not among the most affected sectors of the people, are also somewhat exaggerated. Therefore, I hope that there will be increased understanding at this moment of transition which we are sharing.

I reiterate that the government will be firm in maintaining public order and in protecting citizens' rights and property. The government's firmness is also necessary in maintaining the strict price control that we have implemented as a means to curb inflation.

The reform of the constitutional order is the commitment of the Democratic Alliance. To honor this promise, we will install the commission charged with formulating recommendations for the national constituent assembly, in accordance with the wishes of Tancredo Neves, for a draft of a new constitution. The government will encourage a broad national debate on the future constitution to prepare the nation for its promulgation under a regime of freedom. This debate will include the participation of all the political forces, excluding none, because in a pluaralistic and open democracy there is no room for ideological discrimination. Thus, we will soon call for a national constituent assembly. On the other hand, we will immediately initiate consultations aiming at the formulation of an integrated political project for the new Republic.

I want to announce to the nation before the presidents of the Chamber of Deputies and the Senate and the party political leaders in Congress, that I will sign immediately a constitutional reform proposal reestablishing direct presidential elections, thus eliminating the Electoral College which, in the words of Tancredo Neves, met on 15 January for the last time before its abolition.

Although the duration of the presidential term must be decided in deliberations by the sovereign constituent assembly, I announced here my position that the current mandate should last for 4 years.

Now, to discuss some final considerations and recommendations. I assume responsibility for all government decisions. I will exercise supervision and control over all the administrative machinery which is in need of new mechanisms. The unity of the government is a basic prerequisite. It must act with an esprit de corps, in a solidary manner. The lack of resources must never be a pretext for lack of action. We must go back to simple things and draw on our creative imagination to find form to do things under adverse conditions.

The government must work rigorously, because government is not a picnic, but has responsibility for a mission. Cohesiveness is imperative in the actions of government. All of you, gentlemen, know that we are subject to the weaknesses of our human nature, but this is a unique time and so our conduct must be unique. We have to elevate ourselves, and demand more virtue from our own virtues, more patience from our own patience, and more intelligence from our own intelligence.

Great transformations are only achieved with sacrifice. We must remind ourselves that God must keep us from engaging in political conflicts. We managed to make the great March transformation under a banner of understanding. To make a nation of justice, we will have to depend on the intelligence and unselfishness of public men, first of all on the intelligence and self-sacrifice of those who lead the government.

We will continue to more forward. The march will not be stopped for any reason. With strict respect for the Brazilian people, who deserve our dedication, I will exercise the presidential functions with the full authority that the Constitution vests in me. I feel no inhibition in the face of the circumstances that brought me to this post. On the contrary, these circumstances demand that I act with more strength and daring. This is my duty and I will discharge it with total determination.

The demonstrations of support and trust that I have been receiving from the Brazilian people give me the stimulus that is indispensable for the fulfillment of my obligations with the country. I thank all the ministers for the dedication, assistance, and understanding given me in these initial and difficult days in government. I am sure that I will continue to receive such cooperation, and so I do not need to ask you once again to fulfill your role with a team spirit. This should be the basic notion of loyalty to the new Republic that will demand from all of us a lot of work and great sacrifice.

Thank you very much.

GOVERNMENT 'REGRETS' U.S. EMBARGO ON NICARAGUA

PY140158 Santiago Domestic Service in Spanish 2300 GMT 13 May 85

[Text] The Chilean Government regrets the unilateral U.S. decision to impose an economic embargo on Nicaragua. This announcement was made in a communique released by the Foreign Ministry. The Chilean Government also deplores the fact that the mechanisms existing in the inter-American system were not used to deal with this problem. It adds that the U.S. measure reveals the seriousness of the tension in that region, because the basic standards of coexistence are being ignored.

The communique also says that noninterference in internal affairs has been the basic pillar of hemispheric relations, and that the reiterated violation of this principle by Nicaragua in the last few years has caused the implementation of measures that are obstructing continental solidarity, which many of our nations have tried to build. The communique goes on to say that the Chilean Government, very much concerned about the current situation, calls on the two countries to adjust their conduct to the principles of international law contained in the instruments that the two countries have signed and ratified. It adds that the Chilean Government hopes this will help the effort being made by the Contadora Group in support of peace in Central America.

Also, in view of the interventionist attitude of high-ranking Nicaraguan leaders in the internal affairs of our country, the Chilean Government has decided not to attend the SELA meeting in Caracas, Venezuela. This announcement was made by Chilean Ambassador to Venezuela Carlos de Costa-Nora, who explained the Chilean decision to SELA Executive Secretary Sebastian Alegrett.

CHARGES LEVELED AGAINST CATHOLIC PERIODICAL

PY140204 Paris AFP in Spanish 0101 GMT 14 May 85

[Text] Santiago, 13 May (AFP) -- It has been officially reported in Santiago that the Chilean courts have begun legal proceedings in a trial against the Catholic magazine MENSAJE. The government of General Augusto Pinochet has accused the Jesuit publication of violating the internal security of the state. The charges are based on articles the monthly magazine published recently on the atmosphere of political violence prevailing in Chile, where the regime has resorted to the most barbaric methods, including torture and murder, as the magazine charged in its last issue. The Interior Ministry has charged the magazine with disseminating false and malicious reports and with slandering government officials.

According to the official report, the Santiago appellate court has named Judge Leonel Beraud to prosecute Father Renato Hevia, the magazine director.

REACTIONS TO FREEZE ON PENSIONS, TAX HIKE

PY110225 Madrid EFE in Spanish 1747 GMT 10 May 85

[By Senen Conejeros]

[Text] Santiago, 10 May (EFE) -- The government of General Augusto Pinochet has imposed, with pain, economic adjustments that are provoking reactions among the Chilean people.

Upon announcing cuts in benefits that affect primarily retired persons, Economy Minister Modesto Collados said: We cannot describe the pain we felt in adopting these measures.

In addition to increasing import duties on items regarded as luxury goods, Pinochet's economic team froze pensions for all Chilean retired individuals for the rest of this year. The government has also decided to reduce unemployment subsidies from 6,000 pesos ($36) to 3,000 pesos ($18) monthly.

Lautaro Ojeda, president of the Chilean National Union of Pensioners, believes that the Chilean Government's decision to freeze pensions for the rest of this year is an outrageous, arbitrary, unfair decision which is detrimental to the interests of retired persons. Ojeda noted that of the total of 1.3 million retired persons, approximately 900,000 of them will get only 120 more pesos monthly (around $.70) as a result of the 2.54 increase ordered prior to the freeze. Our organization, Ojeda said, rejects this measure because it is arbitrary and unfair and shows complete lack of sensitivity. Minister Collados, head of Pinochet's economic team, has noted, however, that these resources will be earmarked for investments.

In addition to the freeze on pensions, the government has also increased duties on luxury items from 30 percent to 50 percent. In Collados' opinion, this will not stimulate inflation. Whiskey and caviar have no impact on the consumers price index calculations, he said. Collados said that it will be the upper class that will be the hardest hit by higher taxes on trade. He noted, however, that he as yet, has no specific figures on the expected variations. The government estimates that the new economic measures will generate nearly 1.5 billion pesos ($9 million) and will contribute to creating at least 21,000 new jobs.

Labor Minister Alfonso Marquez de la Plata also expressed his opinion on this issue by stating that all Chileans want economic improvement, but the government cannot give more because of the Chilean economic status quo and the world situation. In the meantime, the conflict continues, especially in the Santiago newspapers, through which retired persons of all ages and sectors continue to express their objections.

1 MILLION EXILES ORGANIZING TO OUST PINOCHET

PY092235 Buenos Aires DYN in Spanish 1510 GMT 9 May 85

[Text] Comodoro Rivadavia, 9 May (DYN) -- Julieta Campusano, who was a Chilean senator when Salvador Allende's constitutional government was overthrown, stated here today that "at present there are 1 million Chilean exiles around the world, 500,000 in Argentina, and they are organizing to overthrow (General Augusto) Pinochet." Campusano, who has been residing in the Netherlands, arrived in Comodoro Rivadavia to speak this afternoon to a rally organized by the Chilean Democratic Movement, which is made up of several Chilean political groups. In a statement to the local press, Campusano emphasized "the degree of consciousness of the Chilean people," and stated that "never before in Chilean history has there been such a huge struggle of the masses as now." "The expressions of solidarity received from many parts of the world and from Latin American democracies have been very helpful for the Chilean people's struggle," she said.

Campusano, who was also a deputy during the period 1961-65, stated that "all Chilean sectors are now aware of a basic need: to overthrow Pinochet." She added that "the people have united to defend themselves from the dictatorship, which continues to use crime, torture, and intrigue to retain power." "We do not know at what cost, but we Chileans will overcome this unjust situation because at present there are 1 million Chilean exiles around the world, 500,000 in Argentina, who are organizing to overthrow Pinochet."

BETANCUR URGES CONGRESS TO APPROVE AMNESTY BILL

PA100440 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 9 May 85

[Text] Bogota -- President Belisario Betancur has assumed responsibility for the consequences that the amnesty for the rebels could have for the country. However, he demanded that the Colombian Congress approve the bill that has already been endorsed by the chamber's first commission. Betancur said that amnesty is indispensable in ending the ravages of war and admitted that there have been some difficulties during the peace process. Betancur criticized the statement made by Revolutionary Armed Forces of Colombia [FARC] top leader Manuel Marulanda Velez to French television in which he said that an offensive was being planned with more than 40,000 men.

In a recent statement to this station, Alberto Rojas Puyo, a member of the Peace Commission and the Communist Party of Colombia, said that Marulanda Velez' statement referred to a series of actions that were planned by the FARC but were suspended in the wake of the signing of the La Uribe agreement last year.

In defending the amnesty, President Betancur said that the benefits from this action are a generous move to seal a violent past, renew Colombians' faith in democracy, and guarantee the rebels rights and responsibilities in building a more just and unified fatherland. He said that there are historical gestures of goodwill that obligate a head of state to believe in and have faith in the future and forget the past. He added that the amnesty bill is a gesture of forgiveness and reconciliation which will unite all Colombians by renewing their faith in a better future.

ALLEGED ELN, FARC MEMBERS CAPTURED IN SANTANDER

PA110348 Bogota EL TIEMPO in Spanish 8 May 85 p 3 A

[By Jairo Cala Otero and Carlos Reina]

[Text] Bucaramanga -- A total of eight terrorists, six of them alleged members of a National Liberation Army [ELN] cell, were captured by the Army in two operations carried out in Pamplona municipality, Norte de Santander Department, and Matanzas municipality, Santander Department.

Among the eight terrorists captured, one is an instructor in the Cuban Guanabo Training School. His mission is to train the guerrillas of that organization in Santander Department. The terrorist who is suspected of being an instructor in the Cuban school for tactical-military training has been identified as 31-year-old Alberto Rodriguez Garcia from Roldanillo, Valle Department. Jose Fabian Meza Arango, 27; Gustavo Bautista Chavez, 35; Antonio Mendoza Roa, 30; Luisa Lejandro Torres Bueno; and Adan Pabon Portilla, 60, were captured with Rodriguez Garcia. According to the authorities Adan Pabon Portilla was used as a courier and liaison with other members of the rebel organization. These individuals had written plans to be carried out in the immediate future on how to support the announced nationwide workers strike.

The two other terrorists, Ernesto Moreno Parada and William Anir Villamizar, were captured in a previous operation in a house in Pamplona municipality.

Four other guerrillas, alleged members of the 10th Front of the Revolutionary Armed Forces of Colombia [FARC] which operates in Tame, Arauca Department, were arrested on 7 May in Yopal as they were leaving for Sogamoso, Boyaca Department. They were identified as Carlos Rincon, Alberto Mongui, Nelson Rodriguez, and Oscar Soler. At the time of their arrest, they had 4 revolvers, 39 bullets, and 1 MK2 fragmentation grenade.

MINISTER COMMENTS ON TRADE WITH USSR, ECUADOR

PY122259 Paris AFP in Spanish 2054 GMT 11 May 85

[Text] Lima, 11 May (AFP) -- Peruvian Agriculture Minister Juan Hurtado Miller today stated in Lima that Peru is negotiating the sale of 30,000 tons of sugar to the USSR within the framework of the agreement reached between the two countries for the repayment of the approximately $200-million Peruvian debt to the USSR. By virtue of the agreement, Peru will repay up to 70 percent of its debt in nontraditional products and the remaining 25 percent in traditional products.

Hurtado, who today left for the United States on a personal visit, said that the negotiations are going well and that, if successfully concluded, this sale would be a solution for the Peruvian sugar mills.

Another possible solution for the Peruvian sugar mills to produce and to export alcohol to Brazil, where a Peruvian mission recently visited to look for markets for this product, Hurtado said.

Hurtado also said that Peru has just signed an agreement with Ecuador for the sale of 5,000 tons of rice, but he did not disclose the amount involved in the transaction. Hurtado, who will stay in the United States for 20 days to receive his masters degree in economics at the University of Iowa, added that the contract conditions for sale of rice to Ecuador were good and said that Ecuador expressed its intention to purchase an additional 10,000 tons of rice.

DEPUTY WANTS FISHING AGREEMENT WITH USSR REVIEWED

PY101510 Lima Radioprogramas del Peru in Spanish 0000 GMT 10 May 85

[Text] Leftist Deputy Alejandro Olivera Aldima has expressed his opposition to the withdrawal of the Soviet ships from the Peruvian waters. He said that instead the fishing agreement should be reviewed, and that the fishing minister has failed to properly execute the affairs of his portfolio.

[Begin recording] [Olivera] According to the general fishing law, the entity that has the monopoly, or the exclusivity to say the least, to process fish meal is the State Fishmeal and Fish Oil Production Agency [Pescaperu]. However, the violation of this law is permitted. Why? To let the private sector make more profits and enjoy facilities, to the detriment of the state-owned enterprise. This means that we have a fishing minister who is more concerned with favoring the large investments of the private sector, rather than those of the state-owned enterprise, that is, Pescaperu. I believe that this failure cannot be concealed by saying that the Soviet fishing fleet must leave the country. This reveals ignorance of the existing government-to-government agreement between Peru and the Soviet Union, allowing Soviet fishing activity in the high seas.

[Reporter] If there is an agreement, could it not be renegotiated?

[Olivera] Of course, the agreement can be renegotiated. Any agreement must be reviewed and improved. I have the firm conviction that the Soviet side will have no problem in renegotiating the existing agreement. [end recording]

RELATIONS WITH U.S. NOT AFFECTED BY EMBARGO

PY131830 Paris AFP in Spanish 1532 GMT 13 May 85

[Text] Montevideo, 13 May (AFP) -- Foreign Minister Enrique Iglesias has ruled out the possibility that relations between the United States and Uruguay will be affected by the Uruguayan condemnation of the trade embargo decreed by the U.S. Administration against Nicaragua.

In statements to the press today, the foreign minister stated that the official condemnation, which was made last week, was nothing other than a reassertion of the Uruguayan nation's traditional philosophy of dialogue and the search for peace.

A few days ago, the new democratic Uruguayan Government rejected that embargo and endorsed the negotiations of the Contadora Group which are being held without meddling in the domestic affairs of the nations, strictly abiding by the regulations of international law, Iglesias said.

The statement made by the government of Julio Sanguinetti, which followed similar declarations by the Senate, the Chamber of Deputies, and the political parties, angered two former U.S. congressmen, who were paying a visit to Montevideo. They suspended a meeting with Uruguayan congressmen and immediately left for Buenos Aires.

The U.S. Embassy then made an attempt to convey Washington's dissatisfaction to the Uruguayan Foreign Ministry, but the latter replied that the decision to condemn the embargo was Uruguay's business alone, just as it was Washington's to decree it.

During the past weekend, politicians from all sectors publicly stated their rejection to the action undertaken by the U.S. diplomatic mission, considering it incorrect, and warned that the United States will have to change its viewpoints on Latin America.

MEETING WITH U.S. LEGISLATORS HELD IN QUERETARO

Attorney General's Address

FL131450 Mexico City NOTIMEX in Spanish 2230 GMT 11 May 85

[Excerpt] Queretaro, 11 May (NOTIMEX) -- Attorney General Sergio Garcia Ramirez has stated that the Mexican Government would carry out a permanent unwavering anti-drug campaign. He told U.S. legislators attending the 25th Mexican-U.S. interparliamentary meeting that the fight against drug trafficking will attempt to attack the source of the problem.

Making an unexpected appearance at the conference, Garcia Ramirez referred to the struggle Mexico is waging against drug trafficking and warned: We will wipe out drug trafficking in our country, no matter what interests are involved in it.

Legislators Favor Better Relations

FL131630 Mexico City NOTIMEX in Spanish 2300 GMT 12 May 85

[Excerpts] Queretaro, 12 May (NOTIMEX) -- Mexican and U.S. legislators called for an end to the recent escalation of misunderstandings between the two countries and agreed that the economy should not be used to discourage or place conditions on the development of peoples.

At the conclusion of the 25th Mexican-United States interparliamentary meeting, the members expressed agreement with the creation of a consultative body to improve coordination and cooperation in the struggle against drug trafficking.

According to the Politcal and Social Affairs Committee report, the two delegations expressed the desire to promote bilateral relations through negotiations, goodwill, trust, and dignity.

The legislators said the conflict in Central America is now part of the East-West conflict. They also pointed out the need for the United States to be consistent in its foreign policy and observe the Contadora guidelines and international law.

BUSINESS LEADERS ON DEALINGS WITH NICARAGUA

FL131936 Mexico City NOTIMEX in Spanish 1721 GMT 13 May 85

[Text] Mexico City, 13 May (NOTIMEX) -- Nicaragua will pay all of the $500 million it owes Mexico for its oil purchases. And faced with the U.S. trade embargo, it will expand its trade relations with Latin America.

Arturo Zavala Colome, president of the National Association of Importers of the Mexican Republic, added that the measures decreed by President Ronald Reagan against the Sandinist government block the possibility of a negotiated settlement in Central America.

Regarding Mexico's current trade relations with Central America, Zavala Colome said Nicaragua has a clearly outlined program to pay its debt to Mexico for crude oil.

He said that because of the U.S. embargo aginst Nicaragua, both the public and private sectors have the opportunity to increase trade with that Central American country.

Meanwhile, Alfredo Sandoval, president of the Employers Confederation of the Mexican Republic (Coparmex), has confirmed that political matters will not be discussed during a visit this week by a group of Mexican businessmen to several Caribbean and Latin American countries. He said Mexican private industry bases its relations mainly on industrial and commercial ties to other countries. The Coparmex president stated that Nicaraguan businessmen are struggling to subsist and therefore, deserve the solidarity of Mexico's private sector.

PAPER COMMENTS ON U.S. EMBARGO, CONTADORA

PA101835 Mexico City EXCELSIOR in Spanish 4 May 85 p 6 A

[Editorial: "Unacceptable Coercion"]

[Text] The incompatibility between the application of economic coercion and the Contadora Group's pacifist plans is accurately pointed out in a communique issued by the Mexican Government on the embargo that the U.S. President has just ordered against Nicaragua. It might be added that furthermore, this stance does not fit in with respect for human rights as it concerns a people's right to behave in accordance with their own interests, taking into consideration first of all the freedom to which they are unavoidably entitled.

It also violates the principles of international law established in the UN and OAS Charters, which proclaim the freedom that has now been trampled by a blockade which will apparently be unilateral, since there is no evidence that other countries will endorse this coercive stance.

Mexico stresses "the need to eradicate factors that might lead to the inclusion of the Central American crisis in the East-West confrontation." As is well known, the main U.S. argument for justifying its boycott measures is the hypothesis that Nicaragua is a center for communist invasion, naturally taking for granted that communism is something execrable.

The geopolitical circumstances involving the Nicaragua syndrome indicate, however, that the tendency to maintain the old Monroeist hegemony, according to which the United States is the arbiter of the destinies of this hemisphere, is a much stronger argument. It apparently sidesteps the reactions which, based on an understandable historical dialectic, pushes those countries which the big U.S. power seeks to submit or continue submitting against the will of the people toward the pro-Soviet bloc.

628 RESEARCH PROJECTS CARRIED OUT WITH CUBA

FL061650 Mexico City NOTIMEX in Spanish 1815 GMT 5 May 85

[Text] Mexico City, 5 May (NOTIMEX) -- Mexico and Cuba have carried out and applied more than 628 basic research projects in the areas of farming, industry, communications, support services, and basic research.

The National Council of Science and Technology (Conacyt) reported the above and indicated that in over 11 years of scientific and technical cooperation, more than 800 projects in the economic, petroleum, and health areas have also been agreed upon.

Mexico's Conacyt and the Cuban State Committee for Economic Cooperation administered this cooperation. Conacyt has a representative in Havana, Cuba, to coordinate all projects involving scientific and technical relations between the two countries.

During 1984, joint Mexican-Cuban research showed a favorable development. Thirty-five projects were carried out including training activities. It was also agreed to exchange 20 scholarships annually. Technological projects by businesses from each nation are included in the cooperation agreement. Risks and research by educational institutions are to be shared under the agreement.

NICARAGUAN CONTRA LEADER CHAMORRO ON UNITY

PA130310 Panama City Circuito RPC Television in Spanish 1700 GMT 11 May 85

[Text] Fernando "El Negro" Chamorro, commander in chief of the military forces of the Democratic Revolutionary Alliance [ARDE], which currently operates in Nicaragua's southern front, visited our country on a secret mission. The anti-Sandinist leader made exclusive statements to our colleague, Ciro Circe Ortega.

[Begin recording] [Circe Ortega] First, Mr Chamorro, we would like you to discuss the current reality in Nicaragua, a country that is being undermined by the Sandinist sector's communist forces.

[Chamorro] First of all, I would like to express my gratitude for the opportunity to address our Nicaraguan brothers exiled in this great country and to our Panamanian friends, who have backed us in the struggle against the Sandinist dictatorship. We bring a positive and encouraging message to our exiled countrymen to the effect that we think we are on the final stretch toward Nicaragua's liberation. Our combatants in the mountains have very high morale and the support we have received from Mr Reagan in the past few days is something we truly regard as being very positive for our struggle.

[Circe Ortega] What is it like in the streets of Managua? Do you have any information on the situation created by the international boycott instituted by U.S. President Reagan?

[Chamorro] The Nicaraguan people's reaction to the embargo on trade between the United States and Nicaragua has not yet been felt because this embargo is definitely not intended to affect our people; it is really an embargo that will directly affect the Sandinist government elite. The embargo will cause a paralyzation and the Nicaraguan leaders will experience the effect felt by our people who have already been plunged into poverty. So the embargo is directly aimed at those who represent the Marxist-Leninist government.

[Circe Ortega] The lack of unity among the groups opposed to the communist Sandinist dictatorship has often been questioned. How do you view this situation and what are the real chances of reaching common ground?

[Chamorro] That is a very interesting question for which we have a constructive answer: The unity of all the groups involved in the struggle, the groups with democratic outlook and tendencies, is a reality among the belligerent forces. There is monolithic unity within the Nicaraguan Unity for Reconciliation, a coalition that includes representatives of our brothers within the Nicaraguan Democratic Force, who are fighting in the northern front alongside Commander Fagoth's Miskitos, Sumus, and Ramas, and includes us in the south, the military forces of democratic ARDE. It cannot be denied that we must take into consideration the contradictory figure of Mr Pastora, whom we believe is waging a very personal war. We hope that in the future he will understand that his situation as a Nicaraguan behooves him to join this unity we have forged.

[Circe Ortega] What is the specific purpose of your visit to Panama at a time when the guerrilla struggle against the Sandinists is experiencing acute problems?

[Chamorro] This is a very quick visit, I might even add that I am in transit. As I said earlier, I wanted to let our Nicaraguan brothers and our Panamanian friends know about our conviction and our firm belief that we will go to the very end in this struggle despite the contradictory situations created in the U.S. Congress in connection with the request for the $14 million.[end recording]

AREA LABOR MINISTERS DISCUSS UNEMPLOYMENT

PA090446 San Jose Radio Reloj in Spanish 0100 GMT 8 May 85

[Text] This afternoon in his office Costa Rican Labor Minister Jose Calvo analyzed the general situation in the area with his counterparts from Honduras, El Salvador, and Nicaragua. These officials are in San Jose to participate in a technical meeting of the Inter-American Center for Information and Documentation on Professional Training.

The labor ministers specifically mentioned the effect of the region's economic and political crisis on employment. Honduran Labor Minister Amado Nunez said: Many enterprises have been closed in Honduras due to the economic crisis caused by higher oil prices. He pointed out that this has caused a considerable reduction in employment levels and that unemployment currently reaches between 20 and 22 percent. This rate is too high.

In addition, Salvadoran Labor Minister Julio Alfredo Samayoa said that political violence has caused an increase in unemployment in El Salvador and that many plants in the country have closed. He added that the unemployment rate there has reached approximately 20 percent or about 30,000.

Nicaraguan Labor Minister Benedicto Meneses said that during the Sandinist revolution unemployment has been reduced from 30 to 12 percent or 15,000 people. Nicaragua has appealed for national unity in order to face the new U.S. aggression, said Meneses. He indicated that a series of discussions among the various sectors will take place soon to decide on the measures to confront the U.S. Government's decision. He said that the U.S. embargo will be confronted through austerity measures and Nicaragua's trade relations with other countries.

Salvadoran Minister Samayoa said the Salvadoran economy has been reactivated since President Jose Napoleon Duarte assumed office. He indicated that with the economic aid of friendly governments and international organizations, $1.2 billion will be designated for development programs. He said that a miracle will occur in El Salvador now that there is a stable, genuine government in that country. Finally, Samayoa said that this economic injection might not yield the expected results if the war continues because the government's priority goal is attaining peace.

COSTA RICA

FOREIGN MINISTER ON CONTADORA DOCUMENT, MEETING

PA110437 San Jose Radio Impacto in Spanish 1830 GMT 10 May 85

[Text] The Contadora Group's technical commission will meet next week. As usual, the meeting will be held in Panama City. Costa Rican Foreign Minister Carlos Jose Gutierrez asserted that the meeting will be held to discuss the implementation rules, and underscored that the rules include the following:

[Begin recording] The implementation rules include: 1) establish a limit on weapons; 2) establish the procedure that each country will eventually enforce to limit the amount of weapons.

The Contadora Document does not even state what the limit will be, neither high or low. The only thing stated in the Contadora Document is that, within 30 days, the Central American countries will establish what they consider is the maximum number of weapons for each Central American state. Depending on that limit [words indistinct] because if a limit is established for Costa Rica, it would be zero. [end recording]

Referring to Nicaragua's position on the Contadora process, the foreign minister said that when the Sandinists first accepted the initial Contadora document, they also accepted the internal dialogue for national reconciliation stated in the draft document. He also said that if internal dialogue and reconciliation is good for El Salvador, it should also be good for Nicaragua.

PANAMA'S NORIEGA ARRIVES, MEETS WITH MONGE

PA091530 San Jose Radio Reloj in Spanish 1200 GMT 9 May 85

[Text] General Manuel Antonio Noriega, commander in chief of Panama's Defense Forces, arrived unexpectedly yesterday in our country in a U.S.-registered plane. In the company of two men and one woman, he stepped out of the plane amid strict security measures in the Public Security's air section. Immediately after arriving he met with President Luis Alberto Monge in (Pozos de Santa Ana). According to Gen Noriega, he is on a routine visit during which he will conduct the periodical review of the joint security program between Costa Rica and Panama.

Explaining that during his meeting with Noriega he did not discuss social violence, President Monge said that the statements made concerned a point on which most Central Americans agree. In this regard the president asserted that the situation of poverty, economic decline, and underdevelopment has created conditions for the social violence unleashed in the other Central American nations. In addition, there are ideological confrontations. Central America, he said, is threatened by social violence, which in turns threatens regional stability.

Vigilance Along Border Increased

PA131619 San Jose Radio Reloj in Spanish 1330 GMT 12 May 85

[Text] Costa Rica has reinforced its vigilance in the country's southern region. The Costa Rican authorities are maintaining a close vigilance of the border with Panama after General Manuel Antonio Noriega, commander of the Panamanian Defense Forces, told the Costa Rican authorities that weapons apparently from Costa Rica were seized in Panama.

According to the information provided to Costa Rican authorities by Gen Manuel Antonio Noriega, some mercenaries have allegedly bought large numbers of weapons in Costa Rica, leading one to believe that there is a black market in weapons. In view of the information from the Panamanian military chief, the Costa Rican authorities decided to intensify their vigilance along the Panamanian-Costa Rican border.

CASE AGAINST FOREIGNERS TURNED OVER TO COURTS

PA071625 San Jose Radio Reloj in Spanish 1200 GMT 7 May 85

[Text] The case of the 14 foreigners in whose possession weapons and explosives were found and who were arrested by the authorities on a farm in San Carlos in northern Costa Rica has been turned over to the courts. A report presented to the govenment's Security Council indicates that all the information, documents, and evidence have been turned over to the Judicial Investigation Agency according the usual procedures. The courts will have to decide the fate of these foreigners, said Vice President Armando Arauz, spokesman of the Security Council.

Vice President Arauz said that if any of those implicated in this case are naturalized Costa Ricans and are found guilty of violating our laws, the cancellation of their naturalization will be requested. Referring specifically to the case of U.S. rancher John Hull, who recently became a naturalized Costa Rican citizen, Arauz emphasized that if the courts find him guilty, the government will take drastic measures against him. The government is not willing to permit any violation of the laws or to have our country become involved in warlike actions against neighboring countries, Arauz added.

EL SALVADOR

NICARAGUA'S TALAVERA DISCUSSES AREA CONFLICT

PA120232 SAn Salvador Radio Cadena YSU in Spanish 1800 GMT 10 May 85

[Press conference by Nicaraguan Deputy Foreign Minister Jose Leon Talavera at the President Hotel in San Salvador; questioners unidentified; broadcast in progress -- live]

[Text] [Talavera] ...the U.S. Government against a small country such as ours, and this can only be described as domineering, unjust, and immoral. We are pleased with the reaction of the international community against this aggression in censuring and questioning it. There has been nothing like it. We are also bringing to the Central American governments and people the Nicaraguan Government and people's optimism, with which we are going to face and overcome this new U.S. aggression.

[Question indistinct]

[Talavera] I would not like to comment on the sovereign decisions of some governments which have voiced their support for this measure. Rather, I am interested in pointing out that on Tuesday in New York City, over 90 countries of the international community censured this measure, and the four countries of the Contadora Group rejected it. The Governments of Brazil, Peru, Argentina, and Uruguay condemned this measure, as did the countries of the EEC. This international reaction greatly encourages and pleases Nicaragua. I would prefer that the Salvadoran Government comment on the reasons for their decision, to which they had a sovereign right.

[Question indistinct]

[Talavera] I would like to repeat my previous statements to the effect that it is about time we avoid and overcome mutual recriminations and accelerate the negotiations of the Contadora Group. We feel that if the Salvadoran Government fears Nicaragua is participating in arms trafficking within its boundaries, then it should promote the signing of the act which would bring peace and cooperation in Central America, that is, the mechanisms of verification and control proposed by the Contadora Group, which establish methods of controlling these (?situations). Since October of last year Nicaragua has voiced its willingness to immediately sign that act [Contadora Document], it did so again in the most recent meeting of the Contadora Group in April, and it will reiterate within the next few weeks its willingness and commitment to accept this mechanisms.

[Question indistinct]

[Talavera] We think that one of the best ways to deny this type of slander is by our presence here in San Salvador, our presence in Central America. No matter how hard the United States tries, Nicaragua will continue to be a Central American country. No matter how hard the United States tries, it will not be able to transform us into an island. Our people and government want to recover the traditional ties of friendship and cooperation with other Central American countries.

Our government wants to establish relations with all countries in the world. Within this framework of action, the Nicaraguan president tomorrow begins a tour of Western Europe, and we have continuously been visiting various countries of the world. All of this is within the framework of the recovery of our sovereignty on 19 July 1979. Prior to that date, the U.S. Government did not allow us to have relations with countries other than those they deemed advisable.

[Question indistinct]

[Talavera] It is important, vital, to promote and develop communications between the governments of Central America, independent of multilateral efforts. We think that when diplomatic and political channels of communications are kept open, better conditions exist to identify differences which necessarily exist in these cases, and in turn to identify the possibilities for solving these differences.

[Question indistinct]

[Talavera] I think that right now the most effective means is to accelerate the negotiations within the Contadora Group.

[Question indistinct]

[Talavera] We disagree completely with the theory that polarizes the Central American conflict by saying that it originates in the East-West conflict. We suggest that the Central American crisis is the result of serious economic and social problems and unjust structures that have prevailed in our countries. Little by little, a peaceful coexistence among the Central American peoples will be achieved.

[Question indistinct]

[Talavera] Nicaragua rejects and does not accept any responsibility for the internal crisis in El Salvador. We have said that we do not persecute Salvadorans in Nicaragua and we have proven this, contrary to a photograph appearing today in San Salvador's LA PRENSA GRAFICA and some statements made to the press by some gentlemen of the Democratic Revolutionary Alliance, ARDE. We merely tolerate the political activity of Salvadorans in our country. We are willing to assume commitments on all terms, particularly should there be an international verification that we are not supplying nor have we ever supplied military aid in the manner in which it has been said.

[Question indistinct]

[Talavera] At this time we have chosen to speak only in a positive manner of strengthening bilateral relations between Nicaragua and El Salvador and of developing trade between El Salvador and Nicaragua. We think that the United States' measure of banning us from the U.S. market could benefit Central American private enterprise. For example, in our economic plans for this year, we were going to purchase U.S. merchandise for approximately $130 million on a cash basis. However, many of these products which we were planning to buy on the U.S. market are being manufactured in Central America and other countries, and we would prefer to purchase them in the Central American market. We also met today with the Salvadoran economy minister to reiterate the Nicaraguan Government's desire to strengthen trade with El Salvador.

[Question indistinct]

[Talavera] In the first place, I wish to tell you that for our country, for our revolution, there is no problem that has other political or economic models in Central America. We are loyal and respectful to the principles of international law regarding self-determination and nonintervention. To this effect, and if possible, there should be no obstacles for Nicaragua to have cordial and correct relations with El Salvador or the other Central American countries. That is the (?goal) of our revolution; we have a program aimed at satisfying the historical demands of our people. We have very serious economic backwardness, which has been worsened by 4 years of a war that has been imposed upon us, directed and financed by the most powerful country in the Western hemisphere.

[Question indistinct]

[Talavera] No, but in recent weeks there have been violent clashes between troops of our Army and militias along the Honduran border. These have been related to the systematic defeats we have inflicted on the counterrevolutionary forces, which are currently disbanded and withdrawing into Honduran territory. The fact that none of Nicaragua's 137 municipalities is under the control of any of these mercenary forces, the fact that these clashes are taking place along the Honduran border tells us that the United States is transforming this (?border area) into a stage of operations. What is happening is not in accord with our best wishes, nor is it our purpose to pressure the Honduran people and government; but right now the Nicaraguan Democratic Force, FDN, is occupying Honduran territory in order to unleash an offensive against us, which we have been repelling from Nicaraguan territory.

[Question indistinct]

[Talavera] We have left our proposals in the hands of the government. We hope that, as in the most recent Contadora Group meeting in mid-April and in line with the provisions of the Declaration of San Salvador at the Contadora meeting on Tuesday, we will be able to take new steps toward the signing, as soon as possible, of the Document for Peace and Cooperation in Central America, as well as the instruments to guarantee the verification and control of these commitments, which the Nicaraguan Government has been ready to sign for several months now.

[Question indistinct]

[Talavera] We have given evidence of a desire for rapprochement from the very moment of our revolutionary victory. I could give you a very long and detailed list of all our efforts with the neighboring countries in Central America. Unfortunately, a very backward and conservative policy began in the United States as of January 1981. The pressures in Central America have emerged from concepts which distort our true situation and the nature of our revolution, which we want to transform into a new political model. We are just beginning; it has only been 6 years since the beginning of our revolution. We established a system that will guarantee a mixed economy, political pluralism and international nonalignment. We do not try nor do we hope to belong to any military or political bloc. We hope to continue being Central Americans.

[Question indistinct]

[Talavera] The refusal of Nicaragua to participate in that meeting [words indistinct]. Nicaragua will never refuse to participate in any meeting in Central America. We have been demanding that joint commissions such as the one we have with Costa Rica be established with Honduras, Guatemala, and El Salvador in order to examine the profound problems that have been affecting us recently.

[Question indistinct]

[Talavera] We were not invited, and we have not been invited to other meetings lately. It is natural that in some cases we undoubtedly have not been invited because there are more political and ideological activities in the systems that are prevailing right now. With El Salvador, Costa Rica, and Guatemala, we are not worried about adopting a joint stand, as long as this joint stand is in favor of peace, negotiations and [word indistinct].

[Question indistinct]

[Talavera] We feel that in the same measure that the political and negotiated solutions are identified as the formula to overcome the Central American crisis, this measure [Declaration of San Salvador] will help us to avoid the solutions of force such as the one applied last week by the United States against Nicaragua, because a decision of an economic blockade is a decision of force. The Declaration of San Salvador makes an appeal for negotiated political solutions. That is the way we demand that our controversy with the United States be solved.

[Question indistinct]

[Talavera] Frankly speaking, the legality of this action is reflected in the international condemnation of this measure. The fact that we are beginning a tour through Western Europe, after having concluded a tour through the socialist sphere, reflects the plurality of Nicaragua's relations and the possibility of receiving cooperation [word indistinct]. We believe we are receiving that cooperation from all countries of the world, with the exception of the United States. We think we can survive without the support of the United States.

[Question indistinct]

[Talavera] After 6 years of revolution, we think the revolution has been consolidated in the political field, with certain economic limitations due to the effects of a cruel war, a very costly war which has been imposed on us. I think the military reference I made earlier reflects that our people support their revolution and this was proven in last November's elections.

[Question indistinct]

[Talavera] I doubt if those 100,000 km of ARDE's liberated territory are in Costa Rica or in Nicaragua. I do not know where they are, because, on the Costa Rican side, they are on the banks of the San Juan River. They do not control a single municipality in that area, which includes the city of San Carlos, San Miguelito, and La Esperanza, and none of those places are in hands of ARDE. The ARDE gentleman who made that statement must have been confused. He is as confused as those who prepare U.S. policy and reports and take polls among (?counterrevolutionaries) in Honduras and Costa Rica. If they took polls in Nicaragua, they would realize what the true situation is in our country.

[Question indistinct]

[Talavera] No, I do not recall that we have voiced any criticism beyond what each Central American country has voiced. We have a diplomatic representative in El Salvador. We have never discontinued our diplomatic representation in El Salvador. We have the same intention of maintaining cordial and correct relations with the Salvadoran Government.

Thank you very much.

FOREIGN MINISTER OFFERS COSTA RICA MILITARY AID

PA130237 San Salvador EL DIARIO DE HOY in Spanish 10 May 85 pp 3, 86

[Text] El Salvador and all its neighbors to the north and south would go to Costa Rica's aid if a conflict broke out between Costa Rica and the Sandinists, said Foreign Minister Jorge Eduardo Tenorio at a breakfact yesterday morning with journalists. He added that his aid would be imperative because Costa Rica does not have an army.

According to Tenorio, not only Central America, but the United States, Venezuela, and Panama as well have offered military assistance to Costa Rica. In addition Costa Rica can invoke the Inter-American Reciprocal Assistance Treaty, TIAR, he said. Tenorio recalled that in case of extra- or inter-continental aggression, any country in the hemisphere has the right to request military aid, which the other countries that signed the treaty have the obligation to provide immediately.

Tenorio said in reply to a query that the problems with Nicaragua are not caused by ideological differences, "but by the Nicaraguan Government's attitude." He said that no one can accuse the Salvadorans as they can the Nicaraguans of permitting their country to be used as a base of aggression against its neighbors or sending soldiers to reinforce guerrillas. "That is, we are not worried about the Nicaraguans turning Marxist, fascist, or whatever they want, what worries us is Nicaragua's expansionist attitude," he said. "The Sandinists are constantly sending arms to the Salvadoran terrorists and they receive the Salavdoran terrorists with fanfare in official ceremonies. This is what worries us," he concluded.

D'AUBUISSON ON ARENA OPPOSITION TO DIALOGUE

PA121842 San Salvador LA PRENSA GRAFICA in Spanish 11 May 85 pp 4, 56

[Text] Marxists only resort to dialogue in order to gain time. Neither the government nor the Armed Forces should hold dialogues with undemocratic people. Major Roberto D'Aubuisson Arrieta, leader of the Nationalist Republican Alliance, ARENA, and deputy of the Legislative Assembly, made this statement to LA PRENSA GRAFICA yesterday. He said: I do not know what will be discussed during the talks behind closed doors announced by Jose Napoleon Duarte, but I am very worried because the leftists might take advantage of them merely to gain time, as these are strategies that the Marxists handle very well: gaining time for shameful purposes. "Why do they want to gain time?" Maj D'Aubuisson Arrieta rhetorically asked himself. This is the question we should analyze, he added.

We in ARENA do not believe that dialogue will bring about the change needed to achieve peace, he asserted, because as long as weapons and bullets are supplied from Nicaragua and an undemocratic revolution exists there, there will be no peace in Central America, much less in El Salvador. This is why effective measures must be adopted, for instance, by creating job opportunities, developing our agriculture, and providing incentives to farmers. By generating jobs we will be removing the pretexts regarding human rights voiced by those who bear arms. We have a tremendous unemployment rate and I think the government must approach our critical problems specifically rather than rambling about policies and making high-sounding statements. Actions rather than words: This is what we Salvadorans must demand from this government under the current circumstances.

The leftists' purpose in kidnapping the mayors elected by the people's will is to intimidate the people, Maj D'Aubuisson Arrieta added. Those who bear arms have always proclaimed the seizure of power through violence. All political parties have countered this by upholding the view that power must be gained through the vote. This is why ARENA believes that the vote is the most powerful weapon of free men. Therefore, there is even less reason for the government or the Armed Forces to hold dialogues with the leftists unless they give up their undemocratic stances, he said in conclusion.

FMLN RELEASES KIDNAPPED MAYOR TO PARISH PRIEST

PA130411 San Salvador LA PRENSA GRAFICA in Spanish 10 May 85 p 43

[Text] Three FMLN commanders have turned over Lorenzo Arevalo Diaz, the kidnapped mayor of San Rafael Oriente, to a parish priest, the 3d Infantry Brigade in San Miguel has reported. According to the military source, "Commanders" Isaac Misama (Froilan), Rafael Claros (Lena Verde), and Humberto Coreas (Beto El Recluta) released Lorenzo Arevalo Diaz to Rafael Benavides, parish priest of El Transito, San Jorge, and San Rafael de Oriente. The mayor was kidnapped last week by terrorist groups and was released at the Las Conchas farm, Crio de las Marias, Chinameca jurisdiction.

It was reported that the mayor is a member of the Nationalist Republican Alliance-National Conciliation Party alliance. As soon as he was released, he took a bus to San Salvador and has not been heard from since. The military source added that when the Catholic priest realized that Arevalo Diaz was being kidnapped, he asked the terrorists not to take him and even offered them money. The terrorists ignored his pleas and abducted the mayor anyway. Since the mayor cannot be found, his condition is not known nor is it known whether he was physically or morally mistreated while in captivity.

Finally, it is reported that "Commander Lena Verde" was imprisoned in Jucuapa for committing a common crime but was freed when the jail was destroyed by subversive fighters.

FMLN-FDR ISSUES PROPOSAL ON THIRD MEETING

PA132224 San Salvador Radio Cadena Sonora in Spanish 2040 GMT 13 May 85

[Text] From Mexico City we have information from the FMLN-FDR. This morning we learned, through a spokesman and later through a telephone call, that a press conference was held in Mexico City. We now have an FMLN-FDR spokesman on the telephone who will give us some information.

[Unidentified FMLN-FDR spokesman] The press conference called by the FMLN-FDR ended a few minutes ago. The two fronts made public their proposal for the third meeting with the Salvadoran Government, which would be held at the highest level on 15 June. During the press conference in Mexico City the representatives of the FMLN-FDR Political Diplomatic Commission said that on 7 May they presented to engineer Duarte their proposal to hold the third meeting between the government and the two fronts. They added that the Salvadoran president has deliberately distorted the facts and has referred to allegedly agreed-upon decisions that are nonexistent.

Guillermo Manuel Ungo, president of the FDR and Hector Oquell, Mario Aguinada, and Salvador Samayoa, all members of the FMLN-FDR political-diplomatic commission, also expressed their concern over Duarte's attitude regarding the continuity of the process of dialogue, describing it as a blow to the agreements and guidelines agreed to during the first two meetings.

The following is the text of the proposal to hold the third meeting, presented to engineer Jose Napoleon Duarte by the FMLN-FDR and dated 6 May 1985:

1. We propose a meeting at the highest level between the Salvadoran Government and the FMLN-FDR, to be held on 15 June in Perquin's parish church in Morazan Department.

2. To improve the possibilities of success of the meeting at the highest level we propose a preliminary meeting with the special commission for dialogue to be held on 30 and 31 May in San Salvador.

3. Our fronts would be represented by four delegates, as established in the guidelines approved in Ayagualo.

4. We propose that the preliminary meeting of the special commission be of a strictly private nature.

5. We propose that the mediator make a public announcement stating only that the FMLN-FDR and the Salvadoran Government had agreed to hold a third meeting in El Salvador and a preliminary meeting and that the two meetings would be held in late May and the first 2 weeks in June.

6. We propose that the Salvadoran Government and the FMLN-FDR refrain from announcing publicly any details regarding the private meeting.

In conclusion, the FMLN-FDR representatives said that Duarte should adopt a clearer, more serious, and more responsible position toward the dialogue. The dialogue's success will depend not only on Duarte but also on the fronts, and above all on the Salvadoran people who are the most affected by the conflict experienced in the country.

[Reporter] Who are the four delegates that you mentioned in the proposal presented to Duarte?

[FMLN-FDR spokesman] This would be announced at the appropriate time, since that is part of the agreement. The names cannot be announced beforehand.

[Reporter] Do you continue to insist that the government is to blame for the possible failure of the dialogue?

[FMLN-FDR spokesman] Yes. To date the government's attitude has been very irresponsible, especially in distorting not only the proposals presented by our fronts but also the agreements reached during the meeting in Ayagualo.

[Reporter] We are going to take advantage of the fact that we have you on the phone to ask you a few other questions. Msgr Rivera y Damas made certain comments regarding the kidnapping of the mayors. It is said that they were kidnapped for exchange with commanders who are in the Army's hands. Is this true?

[FMLN-FDR spokesman] We have learned that while in Germany he said he was concerned about the kidnappings. We issued a communique stating that the attitude of the church had not been the best because on other occasions it had expressed concern regarding the situation of civilian officials and Salvadoran military men. However, and speaking specifically of the case of Commander Janeth Samour and Companera Maximina Reyes, we have not seen a positive attitude from the church. We have not seen them trying to learn the whereabouts of our companeras. Even the National Guard, through a morning newspaper, admitted that the two companeras had been captured. We had expected a more positive attitude on the part of the church to obtain some information regarding the whereabouts of the companeras.

[Reporter] A spokesman for the People's Revolutionary Army called this morning to inform us of the capture of the recently elected mayors in an attempt to learn the whereabouts of these ladies. Now, regarding this press conference in Mexico, did local and foreign correspondents attend or was it only for Mexican and some Salvadoran correspondents?

[FMLN-FDR spokesman] Attendance was good. Local and foreign correspondents attended the press conference. There were Mexican, Central American, and U.S. correspondents present, as well as representatives of several communications media from Europe.

[Reporter] If there is something you wish to add, please feel free.

[FMLN-FDR spokesman] Only to thank Radio Cadena Sonora for giving us this opportunity to inform the Salvadoran people of this press conference. We also wish to send greetings to the noble and heroic Salvadoran people, who are currently struggling to achieve peace with justice. Rest assured that the FDR and the FMLN will continue to insist on the search for a political solution to the Salvadoran conflict but also with the firm determination not to betray, give up, or negotiate with the interests of the Salvadoran people. Thank you once again, Radio Cadena Sonora, and greetings to the Salvadoran people.

ERP ON CAMPAIGN TO DESTROY MUNICIPALITIES

PA130409 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 May 85

[Communique issued by the General Command of the People's Revolutionary Army [ERP] on 11 May in Morazan Department]

[Text] Regarding the San Jorge and San Rafael Oriente mayors, the ERP reports the following:

1. After the elections, the San Jorge mayor, who is a Christian Democratic Party member, was captured by our forces. We wanted to inform him that we would not allow the installation of municipal authorities, and, therefore, he should abstain from taking office. After warning him, we released him. A few days later, this person took office. For this reason, our forces then captured him again. As he was being led off to zones under our control, this mayor attempted to flee; that prompted an incident in which the mayor was killed.

2. We released the San Rafael Oriente mayor so that he could convey to Mr Napoleon Duarte [as heard] a message from our group outlining our publicly stated views on the cases of Companeras Commander Yaneth Samour and Maximina Reyes Villatoro.

3. On 11 May our forces captured the (mayor of Checapan) in Usulutan Department, and we destroyed the municipal building of (San Jose La Fuente) in La Union Department, thus raising to over 35 the number of municipal buildings we have destroyed in the country's eastern sector.

With the unyielding commitment to fight for the Salvadoran revolution to win or die! Revolution or death, we will win!

HONDURAS

EPS' SOVIET-MADE MI-24'S BOMB BOACU DEPARTMENT

PA132014 San Jose Radio Impacto in Spanish 1830 GMT 11 May 85

[Text] The Sandinist People's Army [EPS] is using Soviet MI-24 helicopters in the northern area bordering Honduras. We have a direct report from Honduras.

[Begin report] The criminal Sandinist Air Force is bombing the people of Boaco Department right now. Attention: The Sandinist hierarchy has dispatched the deadly MI-24 helicopters that are manufactured by the Soviets. Reports broadcast over Radio 15 September state that hundreds of peasants from villages and hamlets in Boaco Department are being bombed by the MI-24's. The reports add that the Sandinist hierarchy made this decision because the Farabundo Marti and Socrates Sandino Battalions, headquartered in Boaco Department, have suffered considerable casualties in fierce clashes with the rebels operating in that department.

Recently, on 1 May the rebels of the Pancasan task force of the Jorge Salazar operational command destroyed four IFA trucks during an attack on the highway from Boaco to San Jose de las Vegas. The men in charge of the Farabundo Marti Battalion who were killed in this attack are: Lt Eduardo Jose Castillo, 2d Lt Rene Martinez, and 2d Lt Melano. It was precisely due to the intensified rebel actions that the Sandinist hierarchy has decided to send the MI-24 helicopters to halt the rebels advance.

As previously reported, it is very difficult to locate the rebels in view of their quick mobilization. As usual, it is the defenseless civilian population that suffers the attacks of the deadly bombs that are being dropped. Some of these are 500-lb bombs. Listen to this:

Bombs as heavy as 500 lbs are being dropped by the Soviet-made MI-24's. This is clear evidence of the ferocious war in Nicaragua to the point that actions have increased strongly in Boaco and Chontales Departments. A spokesman for the Nicaraguan Democratic Force [FDN] said that just as the EPS is sending the MI-24's, any moment they expect news that one of these helicopters has been shot down because the rebels have SAM-7 surface to air rockets. The rebels are currently not in th area where the MI-24's are bombing. Therefore, a detachment has been sent to this area to locate the MI-24's and shoot them down. The rebels are far away from the area that is the target of these criminal bombings by the Sandinist tyranny.

We repeat: The Farabundo Marti and Socrates Sandino Battalions, based in Boaco, have suffered considerable casualties from the rebels operating in that department and that is why the Sandinists have decided to send in the MI-24's. Reports state that hundreds of peasants are fleeing from deadly MI-24 bombs.

The nine commanders are very aware of this situation because they are the ones who have issued the orders to send in the MI-24's that are destroying and causing serious damage in Boaco Department. We hope that these reports will be picked up by foreign correspondents because now the Sandinist terror, the criminal artillery of the Sandinist regime, has situated itself not only in northern Nicaragua but in the south, specifically Boaco Department. This was a last minute report direct from Honduras for Radio Impacto of Costa Rica. [end report]

NICARAGUA'S TALAVERA DENIES EPS ATTACK

PA130235 San Pedro Sula TIEMPO in Spanish 10 May 85 p 5

[Text] Tegucigalpa -- Nicaraguan Deputy Foreign Minister Jose Leon Talavera denies that Sandinist troops attacked anti-Sandinist guerrillas in eastern Honduran territory of El Paraiso but warned that as long as the Reagan administration continues promoting "a war of aggression against Nicaragua there will be tension throughout Central America."

The Nicaraguan diplomat arrived in Tegucigalpa yesterday from Guatemala as part of a tour through the Central American nations to present the position of the Sandinist regime in face of the commercial blockade imposed by the United States on Nicaragua. Talavera arrived in Tegucigalpa in the company of the Nicaraguan ambassador in charge of Contadora-related matters, Ramon Lewts, for talks with Honduran Foreign Secretary Edgardo Paz Barnica, Deputy Foreign Secretary Tomas Arita Valle, and advisers of the foreign secretary.

During his talks with the local authorities, the Nicaraguan deputy foreign minister touched on the forthcoming meeting of plenipotentiaries of the Contadora Group and the nations of the region and the possible exchange of prisoners and ships between the two countries. The Nicaraguan official said he was bringing a message of peace and dialogue and a call "to resolve the Central American crisis through negotiations and dialogue and to move away from the use of force."

Talavera explained that in the meeting with Paz Barnica they discussed the position of the Nicaraguan regime "in the face of the total commercial embargo illegally imposed on us by the U.S. Government."

The embargo, according to the diplomat, represents "an arrogant and immoral action of the U.S. Government against a small country of 3 million people, like Nicaragua." He stated that the embargo "is being faced by our country with optimism" because "the international community, which has rejected and condemned this economic penalty, has opened a new market to us."

Nicaragua, according to the diplomat, was able this week to put on the European market the banana production that it had been selling to the United States, and there is also the opening of Canadian and Mexican markets. The items that were being imported from the United States now will be acquired from other nations. He also said that Nicaragua will buy more products from the Central American nations and that it has $130 million to pay for imports. The Sandinists were going to use this money to pay for imports from the United States.

Talavera asked the Central American nations to which Nicaragua is in debt to be "a little patient, and to give a little better conditions" for paying the $400 million debt. Nicaragua, he assured, has every intention of paying its Central American creditors "but we have to understand the difficult economic situation of our countries which in our case is aggravated even more by a war that has incalculable cost."

"In destruction alone we have lost $1 billion in the past 3 years," he said.

Talavera referred to the clashes near our border between Sandinist troops and Nicaraguan counterrevolutionary groups financed by the United States by asserting that "our Army will never be an aggressor against Honduras or Hondurans."

"Unfortunately," if the Reagan administration and the U.S. Congress continue approving aid "for the mercenary forces, the Honduran border zone will be a war zone, a war imposed by the United States." The diplomat suggested that the Honduran people "should demand the U.S. Government stop financing and directing this war against Nicaragua, that it stop using Honduran territory" as an operations ground for the anti-Sandinists.

Asked about a U.S. television network report that Sandinist troops entered Honduran soil to attack anti-Sandinist rebels installed in La Vega, El Paraiso Department, and inflicted an undetermined number of casualties, Talavera said: "We reject this type of report and reiterate that the United States has turned the Honduran-Nicaraguan border into a war zone." The Sandinist People's Army right now is carrying out an offensive against the rightist guerrillas that have been trying to overthrow the revolutionary government of Managua for the past 4 years. "These groups are retreating toward Honduran territory every day," the diplomat said.

Talavera noted that Nicaragua will continue acquiring weapons "as long as there is a war of aggression" but "we hope to reach an understanding with the United States and have demanded a resumption of the bilateral dialogue with Washington because we think it is possible to find a way for the United States and Nicaragua to coexist." The diplomat noted that the Managua government does not want "to constitute a threat for the security of the United States and its allies in the region." He said that "the day that U.S. aggression against Nicaragua ends, our Army will be a small Army and our country will be geared toward production."

The EPS, he said, "is going to expel the mercenary army from Nicaraguan territory and will make sure that it does not return." However, he warned that "as long as the U.S. Government continues financing this war of aggression against Nicaragua there will be, unfortunately, tension in Central America."

Talavera will leave early today for San Salvador where he will meet with Salvadoran Foreign Minister Jorge Eduardo Tenorio.

WORKERS, PEASANTS MOVEMENT ENDS DIALOGUE

PA101707 Tegucigalpa Voz de Honduras Network in Spanish 0615 GMT 10 May 85

[Communique issued by the Workers and Peasants Movement at the Central Bank of Honduras in Tegucigalpa on 9 May -- read by announcer]

[Text] Position of the workers and peasants movement before the Honduran people, political parties, and working class:

Whereas we have exhausted the last phase of negotiations with the representatives of the political sectors that are enmeshed in the current institutional crisis, we state:

1. Since the balance between the executive, legislative, and judicial branches of government was broken as a result of internal disputes and hegemonic ambitions to retain and obtain power prompted by politicians of the traditional political parties, we became concerned about the negative trend of developments at home and abroad and were compelled to present an 11-point proposal to seek negotiated solutions to the crisis.

2. This patriotic initiative was well received by the people and some of the disputant political sectors. However, today negotiations were broken off when the progovernment sector of the Liberal Party of Honduras [PLH] and National Party of Honduras [PNH] rejected points 2, 3, and 4 of our proposal. Points 2, 3, and 4 refer to the following:

A) Immediate release of Ramon Balladares Soto and a halt to the persecution of other Supreme Court justices appointed by the Honduran National Congress.

B) Resignation of all the members of the two standing Supreme Courts of Justice and the election of a new, independent, and impartial Supreme Court.

C) Holding of internal party elections, to be overseen by the National Electoral Tribunal based on Option A of the Workers and Peasants Document.

3.1 The progovernment sectors of the traditional political parties and the so-called dissidents should unanimously work for the prompt release of Ramon Balladares Soto by making use of legal mechanisms, which include:

A) Revocation and annulment of the arrest warrant issued by the 1st Court of Appeals.

B) Withdrawal of the amnesty decree vetoed by the president of the Republic and introduction of a new amnesty decree with prior commitment by the parties to approve it in full. This point was initially accepted but later rejected due to lack of agreement on its final portion.

3.2 Resignation of the standing Supreme Courts of Justice and appointment of a new one that has not been involved in the conflict composed of honorable Hondurans. This point was rejected.

In view of this impasse, the workers' and peasants' organizations proposed the following flexible and feasible option: Holding internal elections by the political parties on 1 September 1985 to choose each party's presidential candidates in exchange for the retention in their posts of the Supreme Court justices led by Jose Manual Arita Palomo. The bill to enact this option was to be discussed with a commission of workers and peasants. This point was accepted by all except the progovernment factions of the PLH and PNH, led by Juan de la Cruz Avelar and Juan Pablo Urrutia Raudales respectively.

5. [as heard] The workers' and peasants' organizations will maintain their position reflecting the popular call to strengthen Honduras' democratization process, including the direct and popular election of the most able citizens as the people's representatives and defenders.

6. The presence of Msgr Oscar Rodriguez as moderator in the negotiations has afforded our organizations an impartial witness to the radical positions assumed by the traditional politicians, who put personal and group interests before the welfare, peace, and democracy of all the Honduran people.

7. Our organizations recognize that the Honduran Armed Forces have maintained a position of respect for constitutional order and for the three powers and government, confident that the conflicting parties would act rationally and in the best interests of the nation.

8. The workers and peasants organizations state to the Honduran people and the international community that they have exhausted dialogue as the civilized method to resolve crises. We hold all irresponsible politicians accountable for the consequences of their behavior.

9. We wish to record for history that we participated in this dialogue in response to our moral and spiritual commitment to the Honduran people and our representatives, and that we are desisting from our efforts to continue the dialogue in view of the intransigence of its participants.

10. We call on the Honduran worker and peasant community and other social forces of the nation to take note of the moral and patriotic deficiencies of the progovernment politicians who are propelling Honduras toward a crisis without precedence in our country's history.

[Signed] Mariano de Jesus Gonzalez, CTH [Honduran Workers Confederation]; Felicito Avila, Francisco Urmeneta, Julio Chavez Paz, Alberto Chavez Legama, Francisco Guerrero Nunez, Jose Ramon Lamot, and Elpidio Duarte Herrera Central Workers Confederation; Marco Tulio Cruz Authentic Trade Union Federation of Honduras; Antonio Luis Mendez Honduran Peasant National Organization; Efrain Garamandial and Nelly Ramirez Federation of Honduran Agrarian Reform Cooperatives; Marcial Caballero and Juan Egenes Ama National Union of Peasants; Benjamin Castro Alberto, Ines Fuentes, and Arnuflo Brizuela Honduran Peasant Confederation; Teofilo Trejo and Miguel Angel Murillo, CNTH [expansion unknown].

NICARAGUA

PRESIDENT ORTEGA HOLDS PRESS CONFERENCE

PA131556 Managua International Service in Spanish 2327 GMT 12 May 85

[Press Conference by President Daniel Ortega; date and place not given; monitored in progress -- live or recorded]

[Text] ...[Ortega] Contadora presented a new proposal the next day. This new proposal was again accepted by Nicaragua and rejected by the same countries, namely Honduras, El Salvador, and Costa Rica. We have seen these countries oppose the approval of an aspect of the Contadora peace document as fundamental as the verification and control mechanism. Their stance is one assumed by governments pressured by the U.S. Government, a pressure exerted so that no agreement can be reached by the Contadora Group and no progress can be achieved in this organization.

Thus have been determined the causes and roots of the Central American region's problems: the stance assumed by the U.S. Government that refuses to accept a peaceful, negotiated solution. As long as the United States maintains this stance, it will hardly be possible to make any progress in bilateral relations with Central American governments, particularly Honduras, although Nicaragua has always been willing to cooperate in this regard. During the past few days we sent a Nicaraguan delegation to visit Central American governments to discuss possible efforts toward peace and in order to stop our being subjected to more pressures that aggravate the Central American crisis.

[Question] What do you think would happen if the U.S. Congress reconsidered its stance regarding the assistance for Nicaraguan contras proposed by Reagan?

[Ortega] Regarding the U.S. Congress' possible stance due to President Reagan's insistence on seeking the approval of millions to finance the terrorist activities [words indistinct] of the Nicaraguan people, we will never lose faith in the American people. Having faith in the American people means that we hope that the U.S. Congress, and even the President, will at some time decide to abandon this policy of aggression and force and seek a peaceful solution to the problems. It also means that we hope they will understand that continuing to foster the approval of millions for mercenary forces does not contribute to peace but to war. We trust that the U.S. Congress interpreting the American people's will, will advance solutions toward peace. We hope these proposals will have the receptive ear of the U.S. President.

[Question] Commander Ortega, some of your visits to Eastern countries have been interpreted by some sectors as a rapprochement with the Moscow orbit. At one time your visit was described as untimely. How would you describe Nicaragua's relations with the Soviet Union at present? I also want to ask you about your visit to Eastern European countries. In addition to friendly statements, what do you expect to obtain?

[Ortega] My trips to several socialist countries, such as Yugoslavia, elicited a reaction from the U.S. Government, which issued some statements. It is worth reminding the U.S. Government that Nicaragua is not a U.S. state. Therefore Nicaragua does not have to ask the U.S. Government for permission to visit any country. This is a right of the Nicaraguan people. We don't have to ask President Reagan for permission to go to Moscow, Spain, France, Bulgaria, Argentina, or Mexico. This is the Nicaraguan people's right.

Our relations with the Soviet Union are good and respectful despite the fact that the Soviet Union is a world power. Our relations are friendly. I would like our relations with the United States to be similar to those we have with the Soviet Union, cooperation and friendly, respectful relations. This is what we demand from the United States.

[Question] Mr Ortega, [words indistinct] As you got off the aircraft this morning, you again said that you are willing to talk with the United States. Would you be willing to talk with the contras, as President Reagan apparently wants?

[Ortega] President Reagan is the contras' chief. To speak with President Reagan is to talk with the contras. This is why we have always been willing to hold a dialogue with the United States. The counterrevolution exists because the United States feeds and finances it. If not, then where is the counterrevolution's budget discussed? In the U.S. Congress, in what can only be described as a violation of international order because a country that has not declared war on Nicaragua -- the United States is not at war with Nicaragua; we have political relations and embassies -- discusses in its Congress whether to finance the mercenary forces that wage war on Nicaragua. This goes against the most fundamental moral principles of democracy, which was established in the United States by those who fought for its independence. When we speak of dialogue with the United States we see it as a need to overcome problems through discussion, a dialogue to normalize our relations so that the United States and Nicaragua can live in peace and have friendly relations. This is Nicaragua's purpose. This is why we are willing to resume the dialogue with the United States at any time. We have not cut off the dialogue; it was the United States who suspended it unilaterally. It is they who must resume it. We are still at Manzanillo, waiting for the United States to resume the dialogue.

[Question] [Words indistinct] from Radio Nacional de Espana. What is the nature of the assistance Nicaragua is requesting from Europe's progressive countries to help face the U.S. blockade?

[Ortega] We believe that the European governments' rejection of the blockade policy against Nicaragua is an important position that shows respect for international law. Therefore, we perceive that rejection as a positive move in favor of the peace efforts in Central America. In our contacts with the European and Latin American governments we are currently stepping up efforts to gain political support for a negotiated solution to the problem in order to prevent a further deterioration of the situation, and we are dealing with the problems that are increasingly plaguing the Nicaraguan economy as a result of this blockade policy.

[Question indistinct]

[Ortega] [Words indistinct] that way all leaders would have to remain in their countries and there would be no communication in the world. How would this fit in with the visits U.S. presidents have made to Moscow? Many U.S. presidents have visited Moscow. Many Soviet presidents have gone to the United States. Those are nothing more than statements by the U.S. Government to influence U.S. public opinion and seek support for its aggressive policies against Nicaragua. Nicaragua has stated that in its relations with the USSR we have found respect, friendship, and solidarity.

When the United States destroyed us, sending the CIA to bomb our fuel depots, the USSR sent us oil to replace that we had lost. When the United States cut our credit lines to purchase wheat and oil, the USSR was the first country to react by sending wheat and oil to Nicaragua. The Nicaraguan people are thankful for this. We would like to have a similar relationship with the United States. Instead of sending mercenaries to murder and destroy us, President Reagan should send help for the lives of Nicaraguans and for the reconstruction of Nicaragua. Nicaragua has close relations with all of the governments that respect us as a small country and have authentic friendship ties with us. We maintain relations with Latin American, socialist bloc, Western European, Arab, and African -- we are members of the Nonaligned Movement -- countries.

[Sanchez] Mr President, Luis Daniel Sanchez of Radio [word indistinct]. Several days ago Prime Minister Gonzalez said that President Reagan told him that he had no intention of invading Nicaragua militarily. First, [words indistinct]. Second, do you believe that the fact that world public opinion is overwhelmingly against a U.S. invasion of the United States [as heard] has made the United States shift its strategy toward massive support for the contra guerrillas?

[Ortega] We cannot rule out the possibility of a direct U.S. intervention in Nicaragua. The United States has been setting up its military machinery around Nicaragua, particularly in Honduras, where they have established six military airports, a communications center, a gigantic field hospital, and military training bases. Warships in the Gulf of Fonseca violate our territorial waters and U.S. aircraft violate our airspace. This is military pressure. U.S. military forces are also attempting to establish bases in Costa Rica. These are all moves to create optimal conditions for launching a direct action against our country when the political opportunity arises or for provoking a confrontation. We cannot rule out a direct intervention. Seconds before they invaded Grenada President Reagan and the U.S. Government were still saying they would never invade Grenada. U.S. troops were landing on Grenada and Grenada was being bombed while the U.S. Government continued to deny there would be an invasion. Therefore, we cannot rule out an invasion until we normalize relations with the United States.

[Question] [Words indistinct] correspondent for Radio Sandino. Commander, your previous answer has recalled for us the subtle and overt ways Reagan is intervening against Nicaragua. Putting this together with another statement in which you said that Nicaragua hopes Contadora will resolve the area's problem and with the fact that the Reagan administration, despite international opinion and the communiques that the European and other world countries have issued to reject the embargo, do you believe that Nicaragua is in a pre-invasion period? [Words indistinct] trade through Europe. What should the European governments do so that Mr Reagan stops being so arrogant and, to put it bluntly, quits meddling?

[Ortega] We hope that Contadora is not [words indistinct]. We hope the United States will change its position and work for a peaceful solution to the crisis. We would never consider this a defeat of President Reagan's policy. We would see it as a reasonable action and a victory for the United States and its government, thus establishing the precedent for a new kind of relationship with Latin America. I believe we cannot lose that hope despite the risk of a direct intervention into our country by U.S. troops.

[Question] [Words indistinct] of Radio-Television Variedad. President Ortega, what Western European countries will you visit? Will you request economic assistance to counter the embargo?

[Ortega] We plan to visit France, Italy, Finland, and Sweden. During this busy tour we want to exchange views on the political situation and discuss bilateral cooperation and trade relations with each country we visit.

[Question] When President Reagan arrived in Spain he told the press that there is misinformation regarding the Central American problem. After the U.S. announcement of the trade embargo against Nicaragua, it seems they are also misinformed regarding the rest of Latin America and Europe, including Spain. What do you think?

[Ortega] For the first time in the history of Nicaragua seven political parties participated in direct elections. These seven parties have representatives in National Assembly. Within a revolutionary framework we have made great efforts in favor of Latin American democracy. Nicaragua hs really made an extraordinary effort in this regard. We have certain restrictions which, as Prime Minister Gonzalez said, we would rather not have. We have clearly stated that as soon as the war of aggression stops, all of the extraordinary measures we established will be lifted. The worst part of this war of aggression is not the fact that information on military and security matters is restricted. European peoples have done this when they have been threatened. Every country has special laws for special circumstances. Even the church has special rules to deal with special situations. In the case of Nicaragua, we are not facing an internal conflict but a foreign aggression defended by the leader of a military power, namely the United States. The President of the United States is the leader and defender of the aggression against Nicaragua. As a small nation of barely 3.2 million inhabitants, we are entitled and compelled to adopt measures to preserve the revolution, pluralism, the mixed economy, democracy, and nonalignment, which is threatened by the U.S. aggression. What I am saying is that much worse than the restrictions with which Nicaragua is living are the daily murders of Nicaraguans.

When I was in Poland I visited a concentration camp. I had never visited one before. It really makes an impression on a person. It was the Majdanek concentration camp, where millions of Europeans were murdered by fascists. I was told that on one occasion 150 children were murdered at one time. What a coincidence! Reagan has murdered 150 Nicaraguan children under the age of 12, children that range from newborns to 12 years of age, who have been murdered with Reagan's funds and the CIA-directed policy of terror. While I was visiting that concentration camp I came to the conclusion that Reagan wants to turn Nicaragua into a concentration camp and exterminate the 3.2 million Nicaraguans with bullets, terrorism, and hunger. That is the aim of the trade blockade: to starve us. It is an emulation of Hitler. I do not find this to be an exaggeration because Reagan placed a wreath at Bitburg where the SS officers who murdered European and U.S. youth are buried. I think that was irrational. President Reagan wanted to appease God and the devil because he placed a wreath on the murderers' tombs and another on the tombs of the murdered. You cannot be in good standing with both God and Satan. That is something Miguel, Father D'Escoto, would say.

[Question] Mr President, pluralism was one of the basic elements of the original plan of the revolution. All of the criticism against the regime you now head is probably aimed at the apparent lack of pluralism. For reasons that everyone is aware of, political groups were left out of the National Assembly, although they have an opinion on what the Constitution should say.

There has been talk that a group of notables could work with the National Assembly to draft a constitution that will ensure that future leaders and administrations will have a broader democratic spectrum to [words indistinct] the Nicaraguan crisis. What is the possibility that this will be done and how far are you willing to go in this political opening?

[Ortega] With regard to pluralism, I believe we have made a great effort in that direction. Seven political parties participated in the elections. I believe that in the United States only two political parties have an option to enter the Congress. I believe there is more pluralism in Nicaragua. The political groups in Nicaragua range from right-wing parties to extreme left-wing parties. Blacks were only allowed to vote in the sixties in the United States. In Nicaragua there are no such distinctions. If you look at Latin America, where efforts are being made to increase democracy and pluralism, Nicaragua stands out as one of the countries that has made the most efforts in this regard. I do not mean to discredit the other countries, but they are not threatened by foreign aggression, and still they held elections under certain restrictions that were not enforced in Nicaragua. For example, in Nicaragua the parties that did not participate in the election did so of their own will. No political party was banned from the election. No political leader was incarcerated to prevent him from participating in the election. The election was open to everyone. However, since the United States did not want the election, they made efforts to prevent some parties from participating. Then they tried to say there was no democracy in Nicaragua.

Despite the war and aggression, we are currently working on the drafting of the constitution. The FSLN representatives in the Assembly will defend a mixed economy, political pluralism, and nonalignment. The seven political parties that participated in the election and have representatives in the National Assembly are drafting the constitution. Representatives of various sectors, without regard for their ideology or political position, will help draft the constitution. However, in order to have pluralism without restrictions we need a normal situation. Without normality pluralism is affected. We are defending it, but it is affected.

[Question] An article that appeared today in a Madrid newspaper said that the Nicaragua revolution is acquiring a Cuban-like orientation. Can you tell me if it is possible to expand democracy and maintain an equal distance from the Soviet and American blocs?

[Ortega] We are dealing with Latin America, most of which had its origin in our relationship with Spain. Ruben Dario called it the Indo-Hispanic relationship. Cuba is part of this tradition. By this I mean that Cuba is part of Latin America and it is therefore natural that it maintain ties with Latin America and Nicaragua, where a revolution is under way. This does not imply that the Nicaraguan revolution is necessarily similar to the Cuban revolution. We believe each revolution has its own characteristics. In Nicaragua we are intent on consolidating a Latin American revolution that has risen from Latin America's need for democracy. The Nicaraguan revolution upholds a mixed economy, political pluralism, and nonalignment. We have defended and will continue to defend these principles.

CORRECTION TO MORE ON FOREIGN EXCHANGE RULE

The following correction pertains to the item subheaded "More on Foreign Exchange Rule," published in the 13 May Latin America DAILY REPORT, page P 19, only paragraph, from line two:

...foreign exchange state that native or foreign individuals or corporations based in the country will be allowed to bring into the country and retain any amount of...(rewording for clarity)

SOVIET POLITBURO MEMBER SOLOMENTSEV ARRIVES

FL131142 Havana Domestic Service in Spanish 1000 GMT 13 May 85

[Text] Mikhail Solomentsev, member of the CPSU Politburo, today begins the second day of his stay in Havana, where he arrived Sunday at the invitation of the Communist Party of Cuba and the Council of Ministers.

Upon his arrival, Solomentsev was received by Jose Ramon Machado Ventura, member of the Politburo, and Jesus Montane, alternate member of the Politburo. Flavio Bravo, member of the Central Committee and president of the National Assembly of the People's Government, and other leaders were also on hand to meet him.

Solomentsev first visited Cuba in 1983, when he was awarded the 20th Anniversary of Moncada Medal.

Meets Raul Castro

FL140058 Havana Television Service in Spanish 0000 GMT 14 May 85

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] and first vice president of the Councils of State and Ministers, today received Mikhail Solomentsev, member of the CPSU Politburo. At the meeting, which was held in a fraternal atmosphere with complete identity of interests, the preparations for the 27th CPSU congress and the third PCC congress, which will be held soon, were discussed, and points of view were exchanged on experience in building socialism.

Visits Historic Sites

FL140120 Havana Television Service in Spanish 0000 GMT 14 May 85

[Text] Mikhail Solomentsev, member of the CPSU Politburo, today laid a floral wreath at the monument to Vladimir Ilyich Lenin, in Lenin Park, Havana. The Soviet delegation was accompanied by Jose Ramon Machado Ventura, member of the Communist Party of Cuba Politburo.

The delegation headed by Mikhail S. Solomentsev, member of the CPSU Politburo, this afternoon visited Lenin Hill, in Regla municipality, Havana. After listening to the explanation on the historical importance of the site, Solomentsev signed the visitor's book and received a plaque commemorating the 60th anniversary of Lenin Hill. The delegation laid a floral wreath before the monument to the leader of the October Revolution. Later, Solomentsev and the persons accompanying him went to historic Old Havana, where they received explanations on the cultural and architectural merits of the streets and buildings in this area.

The Soviet delegation also included Ivan Kalin, deputy chairman of the USSR Presidium of the Supreme Soviet.

CPSU POLITBURO MEMBER TIKHONOV GRANTED AWARD

FL131256 Havana Domestic Service in Spanish 1045 GMT 13 May 85

[Text] Cuba's Council of State has decided to grant the Jose Marti Order to Nikolay Tikhonov, CPSU Politburo member, on the occasion of his 80th birthday.

VICE FOREIGN MINISTER MEETS CHINESE COUNTERPART

FL132128 Havana Domestic Service in Spanish 1800 GMT 13 May 85

[Text] The reiteration of their condemnation of the U.S. trade embargo against Nicaragua and of their full support of the efforts of the Contadora Group was made in Beijing during the meeting of Cuban and Chinese officials.

In the working session of the vice ministers of foreign relations of the two countries, Pelegrin Torras and Zhu Qizhen exchanged viewpoints on the international situation, with special emphasis on Central America. They also exchanged viewpoints on the state of bilateral relations and spoke in favor of increased relations.

Cuban diplomatic sources in Beijing described the meeting between the vice ministers of foreign relations of the two countries as friendly, frank, and fruitful, especially regarding matters discussed.

EXPANDED COOPERATION WITH ARGENTINA PLEDGED

FL101135 Havana Domestic Service in Spanish 1000 GMT 10 May 85

[Text] At the conclusion of a 3-day meeting in Buenos Aires, Cuba and Argentina have reiterated their decision to carry out a broad program of scientific and technological cooperation.

In the Argentine capital, representatives of the two countries concluded preparations for the first meeting of a bilateral commission for cooperation in many fields. The two delegations were headed by Raul Saladrit and Bernardo Grinspun, who signed the final document on the meeting. In it, the will and wish of the two sides to strengthen and deepen cooperation ties based on the common interests of Latin American and developing countries is expressed.

ALGERIAN PRESIDENT BENDJEDID CONTINUES VISIT

Hosts Reception for Castro

FL131034 Havana Domestic Service in Spanish 1000 GMT 13 May 85

[Text] Algerian President Chadli Bendjedid and the delegation accompanying him gave a reception last night in honor of Commander in Chief Fidel Castro, first secretary of the party and president of the Councils of State and Ministers. Present were Politburo members Ramiro Valdes, Armando Hart, and Jorge Risquet, and other leaders of the Cuban Government and party.

Official talks are continuing in Havana, between the Algerian delegation and a Cuban delegation. They are being chaired by Commander in Chief Fidel Castro and Algerian President Chadli Bendjedid.

Algerian Official on Visit

FL132058 Havana Domestic Service in Spanish 1805 GMT 13 May 85

[Text] Shortly before leaving Cuba, Algerian Minister of Foreign Affairs Ahmed Taleb Ibrahimi, who is a member of the Politburo of the National Liberation Front, made a statement to the national and foreign press. He expressed the pleasure of the high-ranking delegation headed by President Chadli Bendjedid at the friendliness shown by our people. He said the level achieved in bilateral cooperation has been raised.

In our conversations with the Cuban authorities, he said, we have clarified economic and trade matters, and the firm position of Cuba and Algeria regarding the nonaligned countries has been reemphasized. We have also discussed the foreign debt and the weakening of markets, international politics, disarmament, and tensions in Latin America, Central America, and the Middle East.

Algerian Foreign Minister Ahmed Taleb Ibrahimi said that, in his talks with Cuban authorities, his country agreed to support the Contadora Group's efforts to obtain a negotiated settlement in Central America. He added that the Moroccan policy towards Western Sahara, the firm position of the Popular Front for the Liberation of Sagui el Hamra and Rio de Oro [Polisario], and towards aid for Polisario's aspirations for independence, was condemned.

South Africa's intransigence towards Namibia was also discussed, as were the situation in the Middle East and recognition of the PLO. The absurb Iran-Iraq war was condemned.

With regard to the visit of an Algerian delegation to Washington, he said Algeria had gone there to defend its points of view, not to beg. Finally, Taleb Ibrahimi said matters related to joint bilateral cooperation will be discussed soon in a meeting to be held in Havana.

ILO DIRECTOR GENERAL ARRIVES ON 4-DAY VISIT

FL100053 Havana Domestic Service in Spanish 2300 GMT 9 May 85

[Correspondent Daura Elena Garcia reports from Havana's Jose Marti International Airport -- recorded]

[Text] ILO Director General Francis Blanchard has just arrived in this capital. He will stay in our country 4 days in response to an invitation of the Cuban Government.

Mr Blanchard, who is accompanied by other important ILO officials, was received at the Jose Marti International Airport by Joaquin Benavides, minister president of the State Committee for Labor and Labor Security, its Vice President Hector Martinez Brito, and members of the Foreign Ministry, Central Organization of Cuban Trade Unions, and Chamber of Commerce of Cuba.

Talks Begin With CTC

FL111410 Havana Domestic Service in Spanish 1000 GMT 11 May 85

[Text] Official conversations between the representatives of the Central Organization of Cuban Trade Unions [CTC] and the ILO are being held in the Cuban capital. The visiting delegation is headed by Francis Blanchard, ILO director general. The Cuban delegation is headed by Roberto Veiga, CTC secretary general.

The visitors are in Cuba at the invitation of the Cuban revolutionary Government.

INTERIOR MINISTRY MARKS DEFEAT OVER FASCISM

FL081328 Havana Television Service in Spanish 0000 GMT 8 May 85

[Text] Commander of the Revolution Ramiro Valdez Menendez, Politburo member and minister of the interior, has presided over that institution's main ceremony on the occasion of the 40th anniversary of fascism's defeat, held this afternoon in Havana.

In accordance with a Council of State decision, a group of Soviet specialists working in the Inerior Ministry was decorated with the Ernesto Guevara Order, First Degree, and the Internationalist Combatant Medal, Second Class.

In his closing remarks, Division General Jose Abrahantes, first vice minister of the interior and member of the party Central Committee, referred to the example set by the Soviet Union before the world by dealing a crushing defeat to the hideous fascist machinery.

GRENADA

BLAIZE ANNOUNCES UPCOMING VISIT TO FOUR NATIONS

FL131608 Bridgetown CANA in English 1723 GMT 11 May 85

[Text] St George's, Grenada, May 11, CANA -- Grenada's Prime Minister Herbert Blaize announced last night he will be making trips to Barbados, Britain, Canada, and the United States over the next month. In his weekly radio broadcast, he said the first stop will be Barbados for the annual Board of Governor's meeting of the Caribbean Development Bank (CDB) next Wednesday and Thursday. From Bridgetown, Blaize will go on to Britain as a guest of the Thatcher government, then to Canada and finally to the United States. He will return home in time for the June 10-12 meeting of heads of government of the Organisation of Eastern Caribbean States (OECS) here, at which he assumes the chairmanship of the seven-nation sub-regional organisation.

It will be Blaize's first trip outside the region since his New National Party (NNP) won last December's general elections, signalling Grenada's return to democratic government after nearly five years of non-elected Marxist rule. Blaize said his visit to Britain, expected to last just under a week, will be to hold discussions with the government on a package to help us to go forward in our search for economic viability. The Grenadian leader will also attend a memorial mass in London for the late Barbados Prime Minister Tom Adams, who died suddenly two months ago. Britain, the former colonial power here, has announced a five million sterling grant for Grenada. Blaize's discussions with British officials are expected to focus on how the grant will be used.

In Canada, Blaize will hold discussions with officials of the Canadian International Deveopment Agency (CIDA) on continued economic assistance to Grenada. He will meet a number of government ministers to confirm and cement the relationship between Canada and Grenada, he said. The Grenada prime minister then flies to New York to attend a ceremony in honour of Grenada-born Dr Lamuel Stanislaus, the island's newly accredited ambassador to the United Nations, who was named man of the year by a black American magazine last year. Dr Stanislaus is an American citizen. The final stop of Blaize's three-nation tour will be Washington where he will hold talks with U.S. Government officials and representatives of the Organisation of American States (OAS) on aid to Grenada.

GAIRY CIRCULATES PETITION TO KEEP U.S. TROOPS

FL131404 Bridgetown CANA in English 1424 GMT 12 May 85

[Text] St George's, Grenada, May 12, CANA -- Former Grenada Prime Minister Sir Eric Gairy is taking his campaign for a retention of American troops here a stage further. Gairy told CANA his Grenada United Labour Party (GULP) will today launch a drive to seek the signatures of about 25,000 people for a petition to be presented to President Reagan urging him to reverse a decision to pull out the remaining U.S. forces by September. We want over 50 per cent of the people that voted (in December's election) to put their signatures down, so we would be looking for some 25,000 supportive signatures to accompany the petition.

The GULP received 34 per cent of the 45,000 votes cast in the election last December to return the island to constitutional government after four years of Marxist rule by the People's Revolutionary Government (PRG). A palace coup within the PRG in October 1983 triggered a U.S.-led invasion of the island and American troops have been stationed there ever since.

We think it is very, very untimely (for the troops) to withdraw. Grenada would become very, very vulnerable, and we are going to state quite a lot of things hoping that the petition would get due consideration, said Gairy, who consistently warns of a communist threat. He said the campaign would be launched at a GULP rally less than 200 metres away from the main compound of the U.S. Embassy on the island, and in front of the burnt-out premises of the office of slain PRG Prime Minister Maurice Bishop who toppled Gairy in a 1979 coup. The rally will mark Gairy's return to the political platform. He did not speak at public meetings during the election campaign. The former prime minister said that the GULP intends to present the petition within another 10 days to U.S. diplomats on the island for onward transmission to President Reagan.

SWWU SECRETARY MAY WITHRAW FROM TUC

FL101530 Bridgetown CANA in English 1304 GMT 10 May 85

[Text] St George's, Grenada, May 10, CANA -- Secretary of the Seamen and Waterfront Workers Union (SWWU) Eric Pierre has accused leftists in Grenada of trying to subvert the Trade Union Council (TUC), umbrella body for the labour movement. Pierre told CANA he will pull the union out of the council unless the TUC alters its political posturing. He accused external forces from the Soviet bloc of trying to manipulate the trade union movement in Grenada, and noted that when he attended an international labour conference in Geneva last year his credentials were challenged by the World Federation of Trade Unions, which is dominated by trade unions in eastern bloc countries. Informed sources said that the Taxi Drivers and Owners Association were also re-considering their membership in the TUC, and will meet next Tuesday to agree on their position. Pierre said the executive of his union, which represents dockers, hotel workers, and employees in agriculture, had agreed to examine their continued membership of the TUC in the light of its recent position. Pierre spoke of left-wing posturing in the council and said his union was not prepared to go along with it. Pierre said that the Seamen's and Waterfront Workers' Union went along with the leftist position of the TUC during the 1979-1983 rule of the People's Revolutionary Government in order to preserve the unity of labour.

GUYANESE LAWYERS TO REPRESENT COUP DEFENDANTS

FL101218 Bonaire Trans World Radio in English 1130 GMT 10 May 85

[Text] Two top Guyanese lawyers have announced they will represent 19 Grenadians charged with the death of Prime Minister Maurice Bishop in a coup in October 1983. The trial of the 19, including former Grenadian Deputy Prime Minister Bernard Coard, has been delayed for months because the defendants had no lawyer to represent them. Peter Britain and Lloyd Joseph, two of Guyana's best-known lawyers, say they have agreed to defend the group.

BRIEFS

AMBASSADOR TO UN -- United Nations, May 10, CANA-REUTER -- Grenada's new United Nations Ambassador Dr Lamuel Stanislaus, a 64-year old New York dentist, today presented his credentials to Secretary General Javier Perez de Cuellar. The Grenada-born Stanislaus is a founding member of the New National Party (NNP), which came to power in a landslide general elections win on the Caribbean island last December. He holds degrees from Howard University in Washington D.C., and has had a dental practice in New York since 1956. Stanislaus is married and has five children. Grenada's U.S. mission was previously headed by a charge d'affaires, Mrs Gloria Payne-Banfield. The previous ambassador, Caldwell Taylor, was appointed by the government of the late Prime Minister Maurice Bishop, who was assassinated in a left-wing coup in 1983. [Text] [Bridgetown CANA in English 2250 GMT 10 May 85 FL]

JAMAICA

GAS STATIONS CLOSE TO PRESSURE FOR HIGHER WAGES

FL131644 Bridgetown CANA in English 1509 GMT 13 May 85

[Text] Kingston, Jamaica, May 13, CANA -- Petrol stations across Jamaica closed today in a bid by their operators to pressure the government to increase their portion of the sale of each gallon of gasolene. The Gasolene Retailers Association (JGRA) ordered the indefinite protest closure Saturday until it could be assured that meaningful negotiations with the government could be concluded. The action caused a rush on petrol stations over the weekend as motorists sought to fill their tanks before the deadline. Fewer buses and other forms of public transport were evident today in Kingston, the capital, and the situation was likely to get serious in the evening.

Petrol dealers gross 43.01 Jamaican cents on each gallon of gasolene they sell. They have been negotiating with the government for a hike since petrol prices were increased in January. Gasolene was increased from J8.99 dollars to J10.90 dollars (one J dollar: 18 U.S. cents) per gallon, because of what the government said was the devaluation of the local dollar.

Retailers, reportedly seeking a 13 cents hike on their current margins, say they are not asking for another price rise. Mining and Energy Minister Hugh Hart had said in January that provision was made for increases to all sectors of the industry. However, JGRA sources said the J3.8 cents per gallon increase offered to retailers was inadequate. They claim that the Mining and Energy Ministry did not appear serious about settling the issue. An official statement from the association said that a meeting Wednesday, which should have concluded the negotiations, was cancelled and the negotiations abruptly brought to an end.

The petrol price increases in January caused widespread demonstrations here.

The government earns J2.4. dollars in taxes from each gallon of gasolene sold at the pumps, but has been at pains to point out that when the price was increased in January its margin had not gone up and that as a percentage of total cost it had fallen. Industry sources here say that for the government to meet the retailers demand without another hike to the public would mean a cut in its own tax.

ALCOA ALUMINA REFINERY TO RESUME PRODUCTION

FL101752 Bridgetown CANA in English 0927 GMT 10 May 85

[Excerpt] Kingston, Jamaica, May 10, CANA -- The Alcoa alumina refinery, which the Jamaica Government is taking over on a no-pay lease arrangement, is to resume production July 1 and plans to export 200,000 tonnes of alumina by year-end, Mining Minister Hugh Hart announced. The plant will be operated by a new government company, Clarendon Alumina Production Limited (CAP), but will be managed by Alcoa.

Alcoa, in a move that caught the government by surprise, indefinitely shut down the 800,000 tonne-a-year refinery, citing declining markets as the reason. But Prime Minister Edward Seaga last month said the government would take over the plant and had secured markets for 600,000 tonnes a year, though some would have to be sold at extremely low world market prices. Alcoa and a number of other people are very anxious to know (where) those markets are and we are not about to tell, but our alumina will be going there, Hart told workers during a tour of the plant in Clarendon in south central Jamaica Thursday. So you just product it because I have to ship it, the mining minister added.